

CITY CLERK
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CITY OF OAKLAND AND REDEVELOPMENT AGENCY
OF THE CITY OF OAKLAND
AGENDA REPORT

TO: Agency Administrator
ATTN: Deborah Edgerly
FROM: Community and Economic Development Agency
DATE: April 25, 2006

RE: **City and Agency Resolutions Authorizing the Sale of Real Property Located on a Block Bounded by Telegraph Avenue, Williams Street, a New Public Park and 19th Street to Forest City Residential West, Inc. for \$6,900,000 for a Mixed-Use Project, and Authorizing a Disposition and Development Agreement for the Project**

SUMMARY

Staff of the Community and Economic Development Agency (CEDA) is recommending approval of an Oakland Redevelopment Agency ("Agency") resolution and a City of Oakland ("City") resolution regarding redevelopment activities in the Uptown Activity Area of the Central District Redevelopment Project Area. Specifically, staff is proposing that the City Council and the Agency take the following actions:

- Authorize the Agency to sell real property located on a block bounded by William Street in the north, Telegraph Avenue in the east, 19th Street in the south and a new public park in the west ("Property", as shown on Attachment A) to Forest City Residential West, Inc., or an affiliated entity ("Forest City"), for the development of a mixed-use project consisting of housing and retail ("Project");
- Establish the fair market value of the Property in the amount of \$6,900,000 (\$153 per square foot) as the sales price to be paid to the Agency by Forest City at the close of escrow; and
- Authorize a Disposition and Development Agreement ("DDA") between the Agency and Forest City for the Project.

Forest City has proposed to develop at least 120 units of ownership or rental housing combined with approximately 20,000 square feet of retail that will front on Telegraph Avenue. The sale of the Property will take place by September of 2007. Project construction will not start until October of 2007.

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FISCAL IMPACT

Approval of the sale and the DDA will generate approximately \$6.9 million dollars (before deducting closing costs) in land sale proceeds for the Agency.

The sales will be deposited into the Agency's Unrestricted Land Sales Proceeds Fund (9553), Capital Improvement Project – Economic Development Organization (94800), Sale of Land Revenue Account (48111).

At this time, it is difficult to project the amount of annual tax increment revenue that would be generated by the Project because Forest City is still evaluating several project alternatives which vary in scope and tenure. However, in Fiscal Year 2009-2010, the first year of completion, a 120-unit for-sale project alternative would generate an estimated \$385,000 in net tax increment revenue (after deducting all pass-throughs to other taxing agencies and set-asides), and an approximately \$175,000 set-aside for the Low and Moderate Income Housing Fund. Between 2007 (when initial tax increment will first be received from the Project) until 2022 (the end of the Central District Redevelopment Plan), this Project alternative would generate approximately \$5,900,000 in nominal dollars net tax increment revenue, and \$2,700,000 in nominal dollars in set-asides for the Low and Moderate Income Housing Fund (see Attachment B, Tax Increment Analysis).

BACKGROUND

In June of 2004, pursuant to Resolution No. 2004-38 C.M.S., the Agency authorized the Agency Administrator to enter into a Lease Disposition and Development Agreement and two ground leases (the "LDDA") with Uptown Housing Partners, LLC (an affiliate of Forest City) for the development of 700 units of rental housing, including 25 percent affordable units ("Uptown Project") in the Uptown Project Area.

On October 18, 2005, the LDDA, pursuant to Agency Resolution No. 2005-59 C.M.S., was amended to (a) modify public park maintenance obligations, (b) change the date for receipt of net available increment, (c) change the noise reduction plan for the adjacent Oakland School for the Arts, (d) modify the repayment schedule and (e) add various other amendments.

The attached site plan (Attachment C) illustrates the reconfiguration of the two superblocks that comprise the Uptown Project Area, which have been subdivided into 5 new parcels (Parcels 1, 2, 3, and 4, and the public park parcel) bisected by a new street running from Thomas L. Berkley Way in the north to 19th Street in the south. Parcel 4 is the Property.

According to the original business deal approved by the Council, Forest City was going to develop the Uptown Project in 2 phases, with 590 units and a new public park in the first phase, and 110 units in the second phase. Phase 2 of the Uptown Project was going to be built on the Property. Each development phase was going to be governed by a separate ground lease. In October of 2005, the Agency and Uptown Housing Partners executed the ground lease for the first phase of the Project, covering development of Parcel 1, 2, 3 and the public park parcel. Hazardous materials remediation and demolition commenced in November of 2005.

During the design of the project, Uptown Housing Partner's architects were able to place 665 units into the area comprising the first phase of the development, rather than the original 590 units that were contemplated when the LDDA was authorized in 2004. As a result, only 35 units had to be built during the second phase to satisfy the 700-unit minimum requirement approved by the Council for the entire project. Rather than construct 35 residential rental units on the Property, Forest City proposed to acquire the Property at its fair market value and agreed to develop at least 120 units of market-rate housing. Forest City is not seeking any financial assistance from the City or Agency for the development of the Project. Thus, the Project is no longer considered Phase 2 of the Uptown Project; the Project is a stand-alone fair market value development in the Uptown Activity Area of the Central District Redevelopment Project Area.

On October 18, 2005, the Agency's governing body, pursuant to Resolution No. 2005-61 C.M.S., authorized the Agency Administrator to enter into an Exclusive Negotiating Agreement ("ENA") with Forest City for a term of 90 days to evaluate the feasibility and to negotiate the terms and conditions of developing a mixed-use Project on the Property. On February 21, 2006, the City Council approved an extension of the initial ENA term by 104 days to provide sufficient time for Forest City to complete the environmental review for the Project in order to comply with the California Environmental Quality Act ("CEQA").

PROJECT DESCRIPTION

The Property

The Property consists of the eastern 45,119 square-foot section of a larger parcel, which the Agency acquired from Sears on October 20, 2005. The larger parcel, a City superblock bounded by Telegraph Avenue in the east, 19th Street in the south, Williams Street in the north and San Pablo Avenue in the west, was subdivided into three parcels to accommodate the development of the Uptown Project. Pursuant to the terms of the LDDA, two of the parcels (in combination with Parcels 1 and 3) were transferred to Uptown Housing Partners under a ground lease to build the first phase of the Uptown Project, as well as a public park, while the Property remained under Agency ownership.

The Agency's proportional acquisition costs for the Property was \$4,245,528, or \$94 per square foot. The Property is located adjacent to the historic Fox Theater and across from Sears' Department Store and the Floral Depot building.

As part of the purchase agreement with Sears, the Agency and the seller entered into a 20-month lease-back arrangement for a portion (approximately 15,560 square feet) of the Property to allow Sears to operate its Sears Auto Center on the site. The lease with Sears will expire on June 20, 2007.

The Purchase Price

In February of 2006, the Agency commissioned an appraisal to determine the fair market value of the Property at its highest and best use as a mixed-use development. The appraisers adjusted the appraised value to account for the existing 20-month lease with Sears and concluded that the fair market value of the Property is equal to \$6,900,000 or \$153 per square foot.

KEY ISSUES AND IMPACTS

The Project

Forest City is proposing to build a minimum of 120 market rate owner-occupied or rental housing units. Forest City is also evaluating the development of a high-rise building on the site, but has not yet made a final decision regarding project size and tenure above the minimum required by the Agency. Conceptual design drawings depicting the ground level and second floor plan, as well as a section of the envisioned high-rise building, are attached to this report (Attachment D-1, D-2 and D-3). At the request of the City Council, Forest City has significantly increased the retail component of the proposed building from 5,500 square feet to 20,000 square feet of floor space fronting on Telegraph Avenue. Specifically, the expanded retail area will consist of 17,500 square feet on the ground floor and 2,500 square feet on the second floor or mezzanine of the new building. A term sheet for the DDA is attached to this report (Attachment E).

The Agency's Project Requirement

During the ENA period, Forest City's staff analyzed the design and financial feasibility of building a variety of different projects types on the Property. While Forest City is seriously considering the construction of a 23-story residential tower with approximately 250 for-sale units, they have not yet committed to a final building design or decided whether it will be a rental or for-sale project. Forest City is analyzing recent sales activity, inventory figures and price data for the Bay Area, which point to a potential moderation in the regional for-sale housing market. Any such market trends may affect the tenure and scope of the proposed Project, especially in light of rising construction costs.

In addition, Forest City's Project design has to be approved by the Planning Commission, which will review the proposed Project architecture's relationship to surrounding buildings, such as the adjacent historic Fox Theater and the Floral Depot building. As a result, final approval by the Planning Commission may also affect the massing, configuration and size of the Project. Accordingly, Forest City would like to retain some flexibility in determining the construction type, project size and housing tenure of the Project.

In consideration of these important factors and the market-rate nature of the proposed transaction, the Agency is requiring a minimum of 120 rental or ownership units to be developed on the Property. Forest City has to submit a Project description and design for Agency staff approval prior to the start of construction.

California Environmental Quality Act (CEQA) Review

A sale of the Property by the Agency to Forest City is considered a discretionary action subject to the provisions of CEQA. The Environmental Impact Report (EIR) for the Uptown Mixed-use Project was certified by the Planning Commission on February 18, 2004. The current Project proposal by Forest City changes the Uptown Mixed-Use Project analyzed in the 2004 EIR because the Property (which is identified as "Parcel 4" in the EIR and earlier staff reports) was previously evaluated for the development of a low-rise apartment building. The proposal to build a 23-story tower on the Property by relocating the 23-story tower element from Parcel 3 of the Uptown Project site to the Property required an Addendum to the 2004 EIR to address specifically the potential for any new or increased environmental impacts. The Addendum includes analyses of cultural resources, aesthetics, and transportation, among other topics. The addendum indicates that there would be no new or increased environmental impacts beyond those identified in the EIR. Therefore, no supplemental environmental review is required. Forest City has filed the addendum to the EIR with the City of Oakland and the document is attached to this report (Attachment F).

Schedule

The proposed DDA with Forest City conditions the sale of the Property to the developer on the termination of the lease with Sears in June of 2007. In addition, Forest City will have to complete all hazardous materials abatement on the Property once Sears has vacated the site, which is also a condition to closing escrow under the proposed DDA. The LDDA with Uptown Housing Partners for the development of the Uptown Project requires Forest City to complete the remediation of the Property as part of the overall hazardous materials abatement work in the Uptown Project Area. Forest City estimates that this remediation work will be finished by September of 2007. After completion of the environmental remediation, Forest City will have to obtain approval of the work from the State of California's Regional Water Quality Control Board. The DDA sets out the following schedule for predevelopment and the start of construction of the Project:

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Activity	Date
Planning Approvals	January 2007
Expiration of the Sears Lease	June 2007
Demolition and Hazardous Materials Remediation Completion	September 2007
Close of Escrow	October 2007
Start of Construction	November 2007
Completion of Construction	May 2010

The dates provided above are best-case projections. Delays in remediation activities or obtaining approval from regulatory agencies may postpone start-of-construction and completion dates. However, the DDA establishes December 31, 2007 as the last day to close escrow.

SUSTAINABLE OPPORTUNITIES

Economic

The Project will take an underutilized site and transform it into an economically productive use by constructing a residential building that will include a significant retail component. The proposed development of the Property will contribute to the revitalization of adjacent vacant retail spaces on Telegraph Avenue and Broadway and stimulate job creation during construction, as well as through increased demand for local services and shopping opportunities.

Environmental

By developing in already built-up areas of the Central Business District, the Project will reduce the pressure to construct on agricultural and other undeveloped land at the periphery of the Bay Area, and thereby contribute to the prevention of urban sprawl. The location of the Parcel in proximity to major public transportation nodes will likely encourage project residents and retail customers to use BART and AC Transit, thereby reducing reliance on automobiles and reduce pollution from car exhaust. The DDA will require the developer to work with the Mayor's Office of Environmental Sustainable Development to formulate appropriate sustainable building goals and strategies for the Project. To the extent that such goals and strategies are commercially feasible, the developer will be encouraged to incorporate green building techniques, such as energy-conserving design and appliances, water-conserving fixtures and landscape, recycled content building materials and low waste construction techniques into the final construction plans for the Project.

Social Equity

The Project will generate tax increment revenues for the Agency's Low and Moderate Income Housing Fund. As more particularly described in the Fiscal Impact Section of

this report, if the developer opts to build a 120-unit for-sale project, it would generate approximately \$160,000 of tax increment revenues for the Low and Moderate Income Housing Fund in the first year of completion, Fiscal Year 2009-2010.

Between 2007 (when tax increment will first be received from the Project) until 2022 (the end of the Central District Redevelopment Plan), this Project alternative would generate approximately \$2,700,000 for the Low and Moderate Income Housing.

DISABILITY AND SENIOR CITIZEN ACCESS

All residential developments are required to construct and set aside at least 5 percent of the units for persons with disabilities as required by the U.S. Government's Americans with Disability Act (ADA) Standards for Accessible Design, the Fair Housing Act and the State of California's Title 24 accessibility regulations.

RECOMMENDATION AND RATIONALE

Staff is recommending that the Agency and City Council authorize the Agency to enter into a DDA with Forest City to sell the Property at its fair market value of \$6,900,000 and to develop a mixed-use Project with housing and retail thereon. The proposed Project will assist the Agency is generating funding for the proposed renovation of the Fox Theater and meet the following objectives of the Central District Five-Year Implementation Plan for 2005-2009:

- The Project will increase the stock of for-sale housing in the Central District, and reestablish residential areas for all economic levels within the Central District;
- The Project will create a stable 24-hour residential community which will enhance the viability of retail businesses in the area;
- The Project will redevelop a key underutilized site in the Central District; and
- The Project, once developed, will enhance residential and commercial property values in the surrounding areas, and will encourage efforts to alleviate economic and physical blight conditions in the area by enhancing the development potential and overall economic viability of neighboring properties.

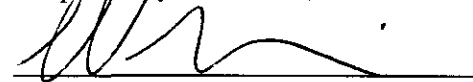
Forest City has spent a great deal of time and substantial resources establishing its commitment to develop housing for all income groups in the Uptown Area and demonstrated that it places great emphasis on excellent urban and building design as evidenced by the architectural documents for the Uptown Project. As the developer of the apartment buildings and the public park on the adjacent parcels, Forest City is highly motivated to ensure that the Property be developed and managed to the highest possible standard. The proposed sale of the Property to Forest City will allow them to build a project that protects and enhances their, as well as the Agency's and City's substantial investment in the Uptown Area. Moreover, Forest City has shown that it is very

receptive to the desires of the City Council to place more retail along Telegraph Avenue in this Project, which will complement the retail in the Uptown Project.

ACTION REQUESTED OF THE AGENCY

Staff recommends that the Agency approve City and Agency resolutions authorizing the Agency to sell real property located on a block bounded by William Street in the north, Telegraph Avenue in the east, 19th Street in the south and a new public park in the west to Forest City Residential West, Inc. or an affiliated entity, for the development of a mixed-use project consisting of housing and retail for the Property's fair market value of \$6.9 million. The resolutions also authorize the Agency Administrator to enter into a DDA with Forest City for the Project.


Respectfully submitted,

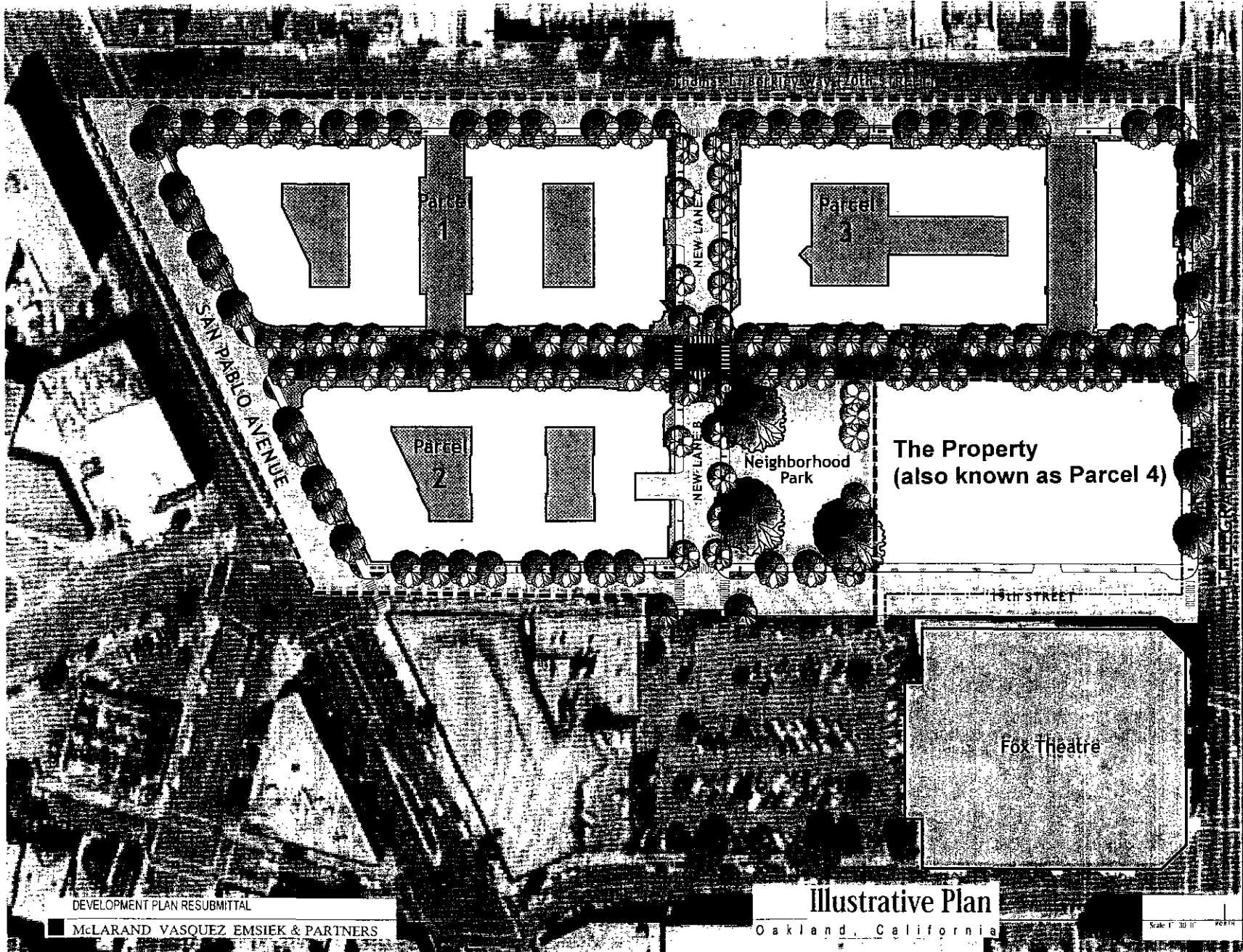


Dan Vanderprie
Director of Redevelopment, Economic
Development, Housing and Community
Development

Prepared by:
Jens Hillmer, Urban Economic
Coordinator
Redevelopment Division

**APPROVED AND FORWARDED TO
THE OAKLAND REDEVELOPMENT
AGENCY CITY COUNCIL**


Deborah Edgerly
Agency Administrator



UPTOWN OAKLAND

FOREST CITY

KENKAY

ASSOCIATES

DEVELOPMENT PLAN
RESUBMITTAL
04 19 2025
DEVELOPMENT PLAN
RESUBMITTAL
12 01 2004 (02/23)



DEVELOPMENT PLAN RESUBMITTAL
McLARAND VASQUEZ EMSIEK & PARTNERS

Illustrative Plan
Oakland, California

Scale 1" = 30' NORTH

ATTACHMENT A

ATTACHMENT B

**Uptown Development Project - Phase 2 (120 units on Parcels 4)
Tax Increment Calculations**

Fiscal Year	Project Assessed Value	Base Assessed Value (1)	Difference	Applicable Tax Rate	Tax Increment	Pass-Throughs 20%	25% Housing Set-Aside	Projected Net Available Increment
2007-2008	\$13,000,000	\$4,300,000	\$17,300,000	1.1775%	\$203,708	(\$40,742)	(\$50,927)	\$112,039
2008-2009	\$37,000,000	\$4,300,000	\$41,300,000	1.1775%	\$486,308	(\$97,262)	(\$121,577)	\$267,469
2009-2010	\$55,000,000	\$4,300,000	\$59,300,000	1.1775%	\$698,258	(\$139,652)	(\$174,564)	\$384,042
2010-2011	\$56,100,000	\$4,300,000	\$60,400,000	1.1775%	\$711,210	(\$142,242)	(\$177,803)	\$391,166
2011-2012	\$57,222,000	\$4,300,000	\$61,522,000	1.1775%	\$724,422	(\$144,884)	(\$181,105)	\$398,432
2012-2013	\$58,366,440	\$4,300,000	\$62,666,440	1.1775%	\$737,897	(\$147,579)	(\$184,474)	\$405,844
2013-2014	\$59,533,769	\$4,300,000	\$63,833,769	1.1775%	\$751,643	(\$151,483)	(\$187,911)	\$412,249
2014-2015	\$60,724,444	\$4,300,000	\$65,024,444	1.1775%	\$765,663	(\$157,797)	(\$191,416)	\$416,450
2015-2016	\$61,938,933	\$4,300,000	\$66,238,933	1.1775%	\$779,963	(\$163,060)	(\$194,991)	\$421,913
2016-2017	\$63,177,712	\$4,300,000	\$67,477,712	1.1775%	\$794,550	(\$168,428)	(\$198,638)	\$427,485
2017-2018	\$64,441,266	\$4,300,000	\$68,741,266	1.1775%	\$809,428	(\$173,903)	(\$202,357)	\$433,168
2018-2019	\$65,730,091	\$4,300,000	\$70,030,091	1.1775%	\$824,604	(\$179,488)	(\$206,151)	\$438,966
2019-2020	\$67,044,693	\$4,300,000	\$71,344,693	1.1775%	\$840,084	(\$185,184)	(\$210,021)	\$444,879
2020-2021	\$68,385,587	\$4,300,000	\$72,685,587	1.1775%	\$855,873	(\$190,994)	(\$213,968)	\$450,910
2021-2022	\$69,753,299	\$4,300,000	\$74,053,299	1.1775%	\$871,978	(\$196,921)	(\$217,994)	\$457,062

Total Tax Increment:

\$11,591,114

Total Pass-throughs to other Taxing Entities:

\$2,426,723

City's Total Portion of Pass-throughs (34.8% thru 2021-22):

\$844,500

Total for the Agency's Low and Moderate Housing Set-Aside:

\$2,713,897

Total Net Tax Increment to Agency:

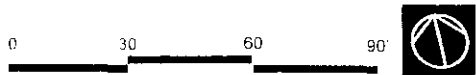
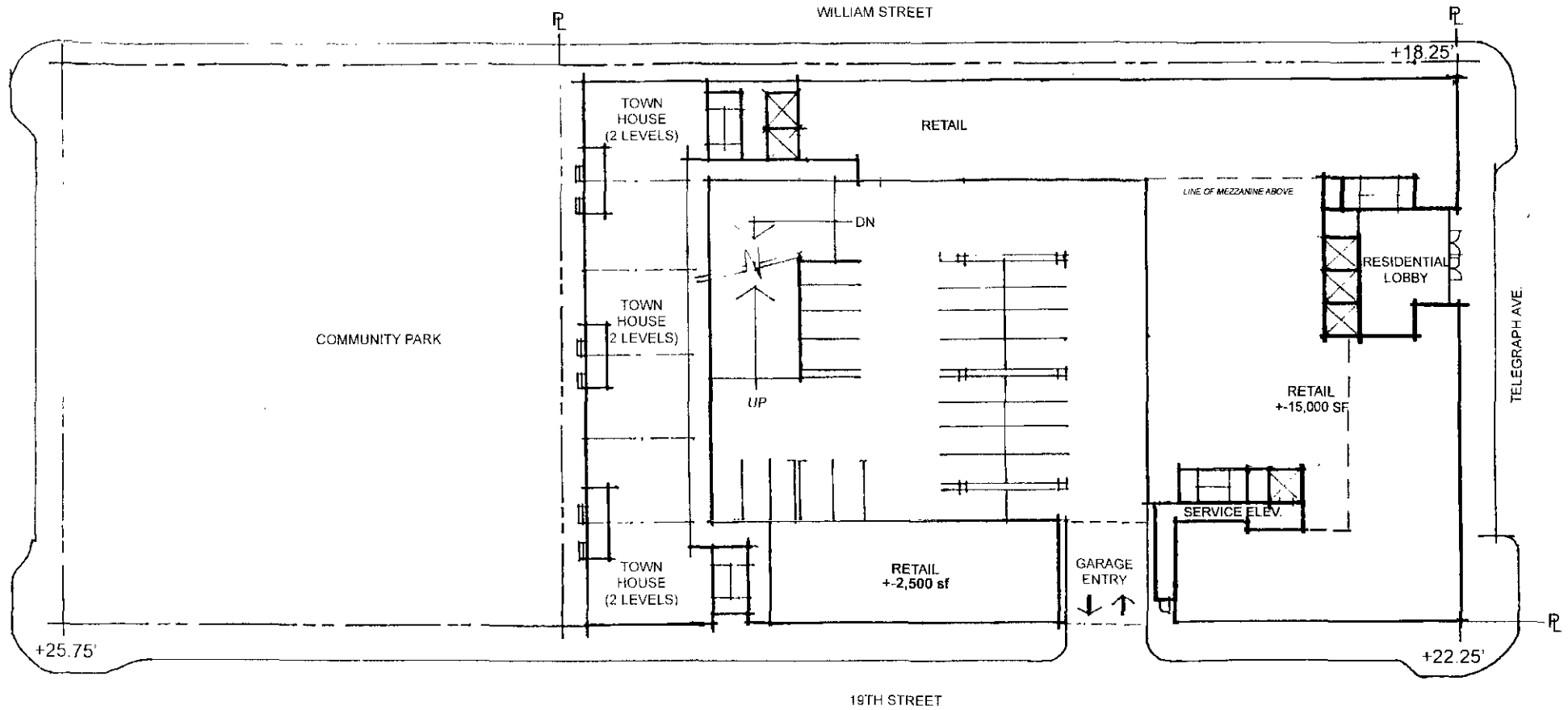
\$5,862,072

Assumptions:

AB 1290 Pass Through	
Through December 2013	20%
Additional Amount January 2014	16.80%
ERAF	0.00%
Annual Assessed Value Increase	2%

Project assessed value assumes the most conservative development scenario for a for-sale project, wherein 120 units are developed at an average sales price of \$450,000 per unit.

During construction, it is assumed that the project value will increase by approximately \$2 million/month on average, although actual expenditures for construction may vary on a month-to-month basis. Upon completion, the assessed value of the project will increase by 2 percent per year.



GROUND LEVEL PLAN
2ND LEVEL PLAN SIMILAR)

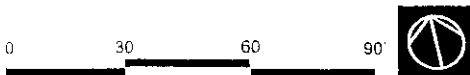
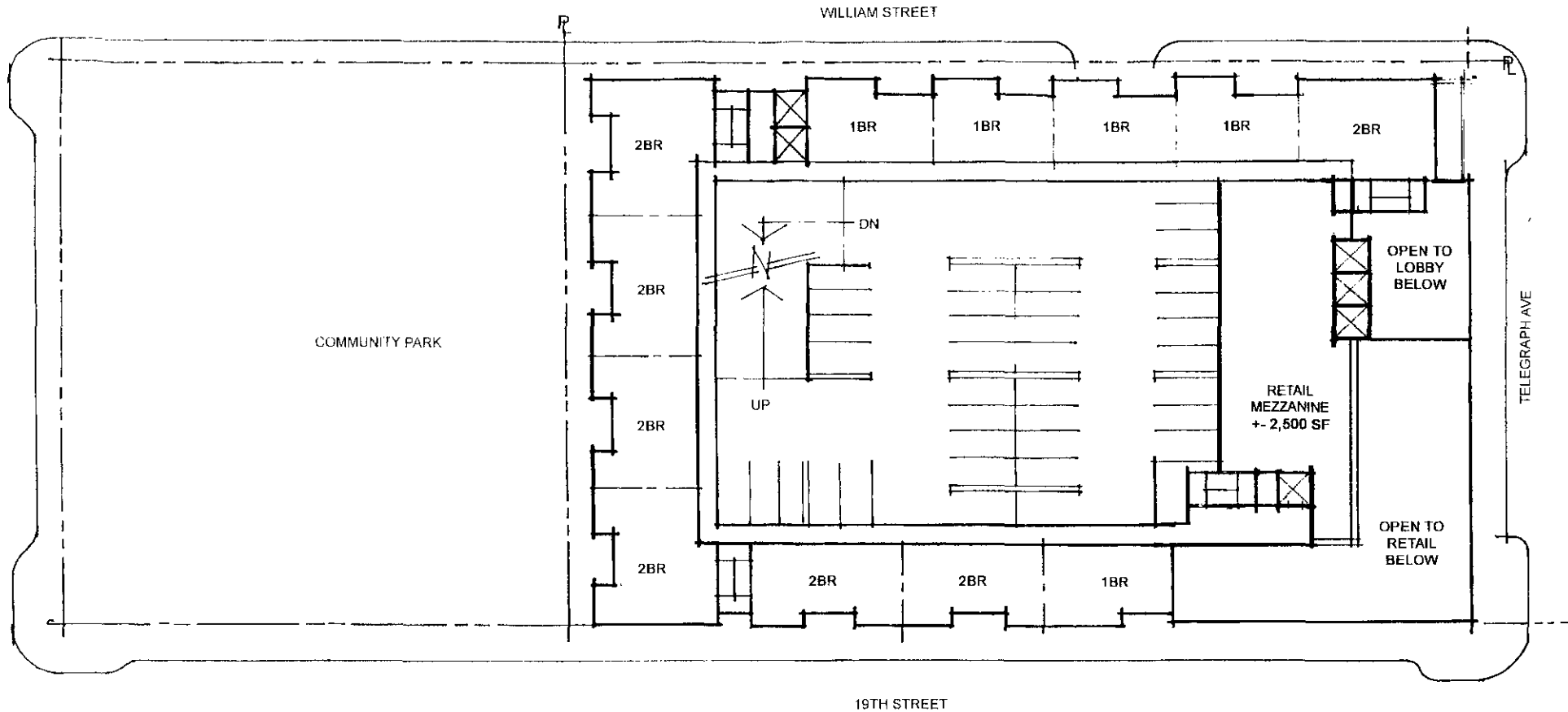
DATE: 01/03/2005
PROJECT: 2005-30128

FORESTCITY
ENTERPRISES

UPTOWN OAKLAND: PARCEL 4

OAKLAND, CALIFORNIA

ATTACHMENT D-1



3RD LEVEL PLAN

FORESTCITY
INTERESTS

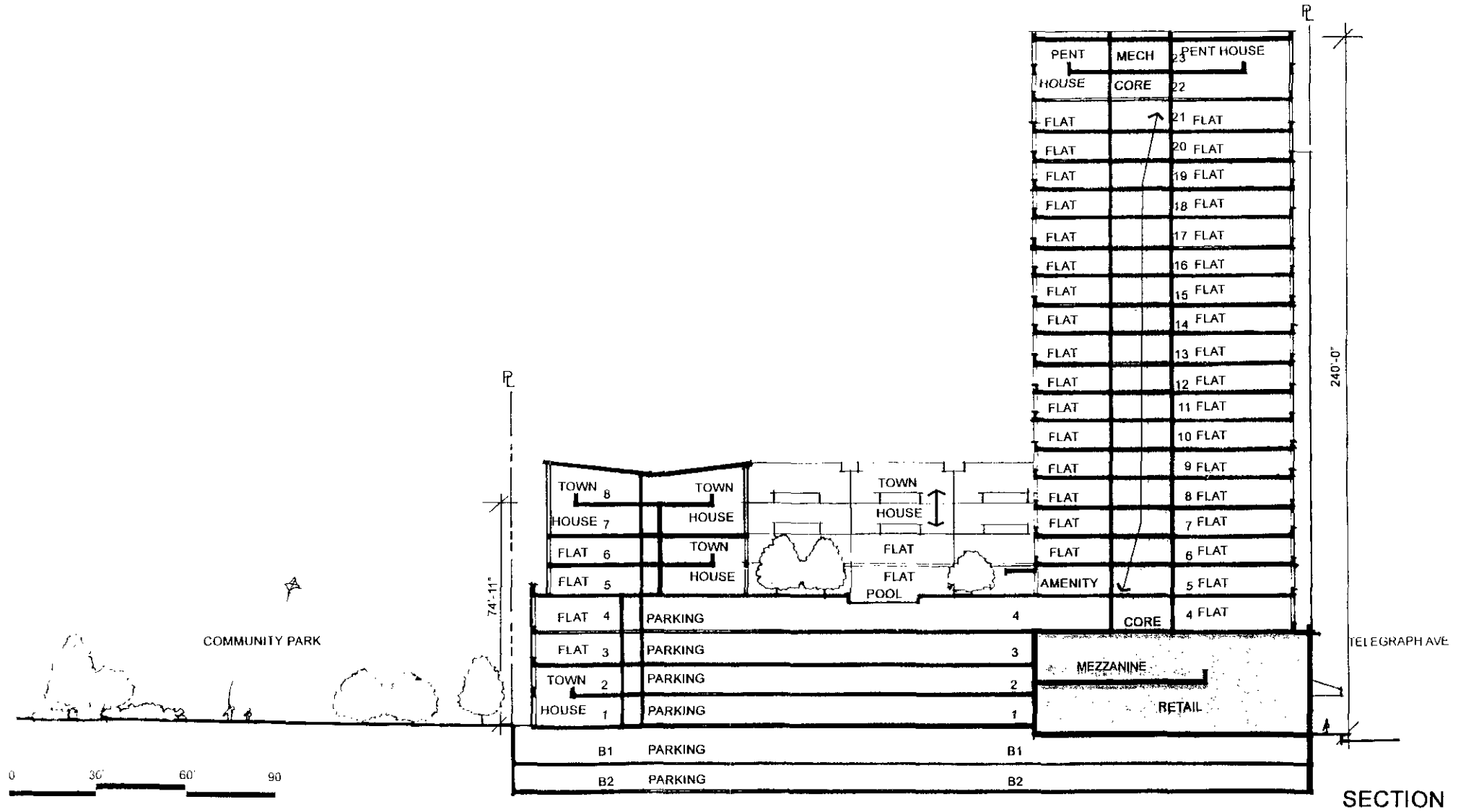
UPTOWN OAKLAND: PARCEL 4

OAKLAND, CALIFORNIA

DATE: 01/03/2006
PROJECT: 2005-30128

ATTACHMENT D-2

ATTACHMENT D-3



ATTACHMENT E

TERM SHEET

The Disposition and Development Agreement between the Redevelopment Agency of the City of Oakland (“Seller”) and Forest City Residential West, Inc., or a related entity (“Buyer”) includes the following terms:

- The Property to be conveyed from Seller to Buyer consists of a newly created parcel located between Telegraph Avenue in the east, 19th Street in the south, William Street in the north and a new parcel to be developed as a new public park in the west. The property measures approximately 45,119 square feet. Building improvements consist of a one-story retail auto-service garage of approximately 5,310 square feet, currently leased by the Agency to Sears Holding Co., in addition to customer parking;
- Buyer to construct on the Property a market-rate condominium or rental residential project with at least 120 residential units, along with a minimum of 0.85 parking spaces per residential unit, subject to City requirements, and approximately 20,000 square feet of retail space on the first and second floor of the new building facing Telegraph Avenue;
- Buyer to purchase site for \$6,900,000 in cash. The Purchase Price is equal to the fair market value of the Property. Purchase price to be due and payable in cash at the close of escrow;
- Seller to secure all governmental land use approvals permitting development of the Project by January 31, 2007. Mitigation Measures as identified in the Project Final EIR and Addendum #1 shall be incorporated into the plans for Project development and operations;
- The Plans and Specifications for the Project to be reviewed and approved by Seller.
- Seller shall review and approve of project Pro forma;
- Buyer’s parent company to provide completion guarantee for the Project;
- Buyer to comply with the provisions of the Central District Redevelopment Plan and nondiscrimination provisions of redevelopment law;
- Transfer of the Property restricted prior to Project completion;
- Project commencement and completion dates to be set in the DDA as negotiated by the Agency Administrator;
- No required application of the Agency’s employment and contracting programs (prevailing wage, local employment, local/small local business enterprise contracting, apprenticeship, living wage, or first-source hiring) to the Project;
- Project to be restricted to residential, retail and parking uses;
- Any other appropriate terms and conditions as the Agency Administrator or his or her designee may establish in her or her discretion or as the California Community Redevelopment Law or the Redevelopment Plan may require.

ATTACHMENT F

ADDENDUM TO THE FINAL ENVIRONMENTAL IMPACT REPORT ON THE UPTOWN MIXED USE PROJECT

INTRODUCTION

The Final Environmental Impact Report on the Uptown Mixed Use Project (project) in Oakland, California (Final EIR¹) was certified on February 18, 2004. The project consists of the development of several blocks (Blocks 1, 2, 3, 4, 5, 6, 7, 8, and 8a) in an approximately 15-acre site with a mixture of residential, commercial, and open space uses. Changes to development in select blocks in the project site, as described in the Draft EIR, are currently proposed. The most significant increase in block-specific development would occur on Block 4; therefore, Block 4 is the focus of discussion in this Addendum. This Addendum provides an evaluation of the environmental effects of changes to the project and finds that none of the changes would trigger the need for subsequent environmental review. Figure 1 shows the blocks in the project site.

The current proposal for Block 4 is a 23-story (above grade) building and a community park. The building would be 240 feet in height and would contain: 255 residential units; 20,000 square feet of retail space; and 343 parking spaces. There would be a total of six stories of parking, two of which would be underground. The community park would be approximately 25,000 square feet (about 0.57 acres).

Essentially, under the current proposal, the development proposed for Blocks 3 and 4 as part of the 2004 project (the project analyzed in the Final EIR) would be “flipped.” The development originally designated for Block 3 will now occur on Block 4, and development originally designated for Block 4 will now occur on Block 3. This “flip” (which involves other changes to the number of residential units, square footage of commercial space, and building height) is described in more detail below, and is not considered a substantial change to the project analyzed in the Final EIR. Therefore, impacts associated with currently-proposed development were adequately addressed in the Final EIR.

This Addendum is prepared pursuant to *CEQA Guidelines* § 15164, which states: “The lead agency or a responsible agency shall prepare an addendum to a previously certified EIR if some changes or additions are necessary, but none of the conditions described in Section 15162 calling for preparation of a subsequent EIR have occurred.” Section 15162 specifies that no subsequent EIR shall be prepared for the project unless:

1. Substantial changes are proposed in the project which will require major revisions of the previous EIR or negative declaration due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects;

¹ The Final EIR includes the following documents: 1) LSA Associates, Inc., 2003. *Uptown Mixed Use Project Environmental Impact Report, Public Review Draft*. September. and 2) LSA Associates, Inc., 2004. *Uptown Mixed Use Project, Responses to Comments Document*. January.

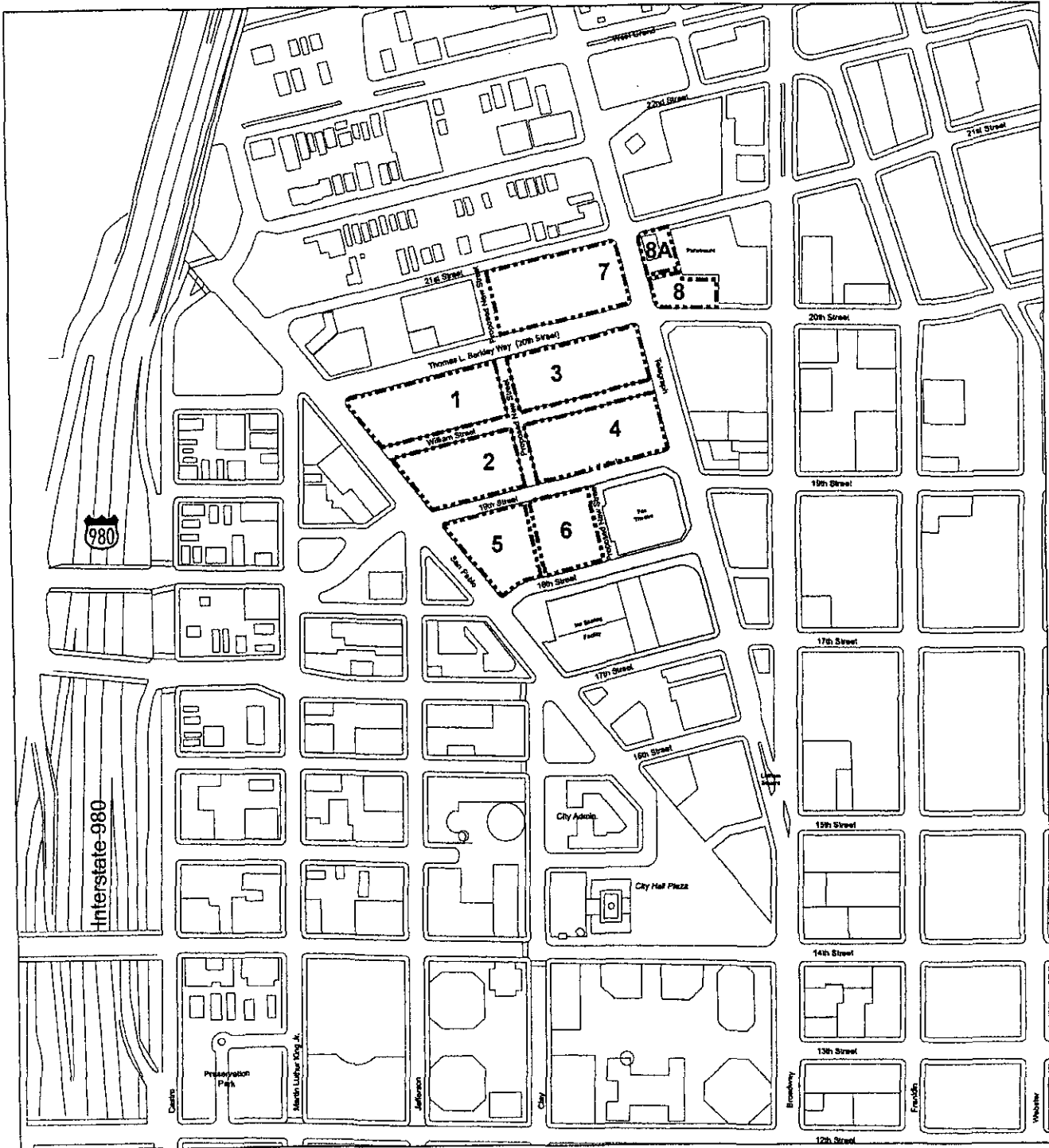
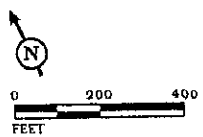


FIGURE 1

LSA

*Uptown Mixed Use Project EIR Addendum
Project Boundaries*



LEGEND
 PROJECT PARCELS

2. Substantial changes occur with respect to the circumstances under which the project is undertaken which will require major revisions of the previous EIR or negative declaration due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects; or
3. New information of substantial importance, which was not known and could not have been known with the exercise of reasonable diligence at the time the previous EIR was certified as complete or the negative declaration was adopted, shows any of the following:
 - (A) The project will have one or more significant effects not discussed in the previous EIR or negative declarations;
 - (B) Significant effects previously examined will be substantially more severe than shown in the previous EIR;
 - (C) Mitigation measures or alternatives previously found not to be feasible would in fact be feasible and would substantially reduce one or more significant effects of the project, but the project proponents decline to adopt the mitigation measure or alternative; or
 - (D) Mitigation measures or alternatives which are considerably different from those analyzed in the previous EIR would substantially reduce one or more significant effects on the environment, but the project proponents decline to adopt the mitigation measure or alternative.

Pursuant to *CEQA Guidelines* § 15164(e), the following discussion details: 1) proposed changes to development on Block 4 of the project site (and overall project development), which is a change to the project that has occurred since certification of the Final EIR; 2) the less-than-significant environmental impacts associated with this change; and 3) reasons for the City's conclusion that changes to the proposed project (and associated environmental effects) do not meet the conditions described in section 15162 calling for preparation of a subsequent EIR.

Based on the analysis in this addendum, the City concludes that the Final EIR adequately addresses the environmental effects of the proposed project revisions, and that the proposed changes to Block 4 constitute a minor refinement of the project description. *Furthermore, the City finds that this minor refinement would not result in significant environmental effects not already identified in the Final EIR.*

ADDITIONS TO THE DESCRIPTION OF THE UPTOWN MIXED USE PROJECT (DESCRIPTION OF CHANGES TO BLOCK 4 OF THE UPTOWN MIXED USE PROJECT SITE)

The environmental analysis in the Final EIR was based on an assumption that development in Block 4 of the proposed project would include: a five-story building (approximately 65 feet in height) containing 225 residential units; 14,500 square feet of retail space; and 294 parking spaces. The parking spaces would be located in a two-story structure (one floor of the structure would be completely underground; half of the top floor would be underground). The analysis was also based on the assumption that development on Block 3 would include: a 12-story building (approximately 144 feet in height) containing 250 residential units; 7,500 square feet of retail space; a 25,000 square-foot

community park; and 270 parking spaces. As described below, the current proposal essentially “flips” development originally proposed for Blocks 3 and 4 (with some key differences detailed below). In other words, development originally proposed for Block 3 would now occur on Block 4; development originally proposed for Block 4 would occur on Block 3.

Blocks 3 and 4 are two blocks in the 15-acre project site. Total site development (including Blocks 3 and 4) assumed in the Final EIR for the purposes of environmental review included: two 19-story towers; 1,270 apartments and condominiums; and 1,000 student dormitory beds and 50 faculty units; and 43,000 square feet of commercial space.

The following discussion describes the current proposal for Block 4 and anticipated development in the entirety of the project site.

Block 4

Block 4 of the project site, which is approximately 1.5 acres, is located adjacent to the eastern boundary of the project site, to the north of the Fox Theater. The block is bordered by William Street to the north; Telegraph Avenue to the east; 19th Street to the south; and a parking garage to the west. Block 4 currently consists of a building housing Sears Auto Center, associated parking, and a former parking lot. The current proposal for Block 4 is the demolition of the Sears Auto Center and development of mixed uses on the site, including residential, commercial, open space, and parking uses.

Building. Commercial, residential, and parking uses on Block 4 would be accommodated in one 23-story high-rise tower located in the eastern two-thirds of Block 4. The structure would include an eight-story podium, with a mixture of parking, retail uses, townhomes, and apartment or condominium dwelling units. The tower element of the building would rise up 15 additional stories from the podium component (for a total of 23 stories) and would consist of apartments or condominiums. Two underground stories would consist entirely of a parking structure. The building would be a maximum of 250 feet in height.

Residential Uses. The structure on Block 4 would contain 255 residential units, including 223 apartments or condominiums (120 one-bedroom units and 103 two-bedroom units) and 32 townhomes with three bedrooms. The townhomes would be developed within the first eight stories (above ground) of the structure, and would be stacked.

Commercial Uses. The building on Block 4 would contain 20,000 square feet of retail uses. Retail uses would be located on the first two (above ground) floors of the building along the William Street, Telegraph Avenue, and 19th Street frontages.

Parking. All parking in the block (343 spaces) would be structured. The parking structure would consist of two underground levels (with only parking uses) and four above-ground levels (with a mixture of parking, retail, and residential uses). The four above-ground levels of parking would contain retail or residential uses along the perimeter of the building. Therefore, the four above-ground levels of parking would not appear as a parking structure from the streets surrounding Block 4.

Access. Vehicular access to the parking structure would occur on 19th Street. It is expected that pedestrians would be able to access the street-front retail uses from William Street, Telegraph Avenue, and 19th Street.

Community Park. An approximately 25,000 square-foot community park would be developed on the western third of Block 4. The park would be bordered by William Street to the north; stacked town-homes and apartments or condominiums on the east; 19th Street on the south; and a proposed new street on the west. The park would not be gated and would be open to the public. It would include design features such as paths, benches, a shade arbor, public art, and rolling lawns.

Anticipated Project Development

Block 1 through Block 3 of the project site have already been entitled and are undergoing construction. Block 4 is the subject of this Addendum and is pending entitlement approvals. Development proposed for Block 1 through Block 4 includes a total of 920 residential units, 32,916 square feet of commercial space, and 876 parking spaces. In addition, entitlement approvals for 80 (affordable) residential units and 67 parking spaces on Block 6 are currently being processed. Development on the remaining blocks of the project site (Block 5, Block 7, Block 8, and Block 8a) that was assumed in the Final EIR includes 270 condominium units; 1,000 student beds; 50 faculty units; 21,000 square feet of commercial space; and 870 parking spaces.

Adding up the development within the project site that is entitled, undergoing entitlement, and awaiting the entitlement process (but included in Final EIR assumptions), the entire project site could be built out with the following uses: 1,270 condominiums or apartments; 1,000 student beds; 50 faculty units; 53,916 square feet of commercial space; and 1,813 parking spaces.

As noted above, the environmental evaluation in the Final EIR was based on the following development assumptions: 1,270 apartments and condominiums; 1,000 student beds; 50 faculty units; 43,000 square feet of commercial space; and 1,959 parking spaces. Table 1 compares the project analyzed in the Final EIR to the currently-proposed project. Table 2 provides a block-by-block comparison of the projects.

Table 1: Comparison of 2004* and 2006 Projects

Project	Apartments & Condominiums	Student Beds/Faculty Units	Commercial Space	Parking
2004 Project	1,270	1,000/50	43,000	1,959
2006 Project	1,270	1,000/50	53,916	1,813
<i>Net Difference</i>	0	0	+10,916	-146

*2004 Project was the one evaluated in the Final EIR.

Source: Forest City, 2006.

As described previously in this Addendum, the current proposal essentially “flips” development originally proposed for Blocks 3 and 4. Development originally proposed for Block 3 would now occur on Block 4; development originally proposed for Block 4 would occur on Block 3.

Compared to the project analyzed in the Final EIR, the currently-proposed project would include the same number of residential units, student beds, and faculty units; almost 11,000 square feet of additional commercial space; and 146 fewer parking spaces. This slight increase in commercial square footage and slight reduction in parking would not be considered substantial changes to the project. In addition, as described below, these small changes would not result in additional environmental impacts beyond those identified in the Final EIR.

Table 2: Block-By-Block Comparison of 2004 and 2006 (Entitled) Projects

Block	2004 Project	Current Project	Net Change
Block 1	5-story apartment building 190 residential units 190 parking spaces	5-story apartment or condo. building 255 residential units 224 parking spaces	+65 residential units +34 parking spaces
Block 2	5-story apartment building 190 residential units 190 parking spaces	5-story apartment or condo. building 193 residential units 137 parking spaces	+3 residential units -53 parking spaces
Block 3	12-story apartment building 250 residential units 270 parking spaces 7,500 square feet commercial space 25,000 square feet community park	5-story apartment or condo. building 217 residential units 137 parking spaces 9,000 square feet commercial space	-7 stories -33 residential units -133 parking spaces +1,500 square feet commercial space -25,000 square feet community park
Block 4	5-story apartment building 225 residential units 294 parking spaces 14,500 square feet commercial space	23-story apartment or condo. building 255 residential units 343 parking spaces 20,000 square feet commercial space 25,000 square feet community park	+18 stories +30 residential units +49 parking spaces +5,500 square feet commercial space +25,000 square feet community park
Block 5	19-story condominium building 270 residential units 270 parking spaces	(not yet entitled)	(no change; not yet entitled)
Block 6	5-story apartment building 145 residential units 145 parking spaces	(not yet entitled) 5-story apartment or condo. building 80 residential units 67 parking spaces	(not yet entitled) -35 residential units -78 parking spaces
Block 7	7/19-22-story faculty/student bldg. 1,000 student beds 550 faculty units 550 parking spaces 11,000 square feet commercial space	(not yet entitled)	(no change; not yet entitled)
Block 8	10,000 square feet commercial space 50 parking spaces	(not yet entitled)	(no change; not yet entitled)
Block 8a*	--	--	

*Block 8a is the alternate site for the relocation of the Sears Auto Center.

Source: Forest City, 2006.

POTENTIAL ENVIRONMENTAL IMPACTS OF CHANGES TO BLOCK 4 OF THE UPTOWN MIXED USE PROJECT

The following discussion describes the environmental impacts that could occur as a result of the changes to Block 4. This discussion is organized by the environmental topics that were addressed in detail in the Final EIR. All the environmental impacts that would result from implementation of the changes to Block 4 are considered less-than-significant, as discussed below.

Land Use

Block 4 currently consists of a building housing the Sears Auto Center, associated parking, and a former surface parking lot. It is surrounded by a surface parking lot to the north, mixed uses (including retail uses) across Telegraph Avenue to the east, the Fox Theater across 19th Street to the south, and a parking structure to the west. The contiguous commercial corridor that extended along both sides of Telegraph Avenue until the 1950s has been substantially altered by redevelopment activities. Currently, the Uptown District as a whole is characterized by parking lots and vacant buildings, and is disconnected from surrounding neighborhoods.

The changes to Block 4 would intensify development on the block compared to the level of development analyzed in the Final EIR. In addition, a park would be constructed on the block. The intensification of development on the block would include the construction of a 23-story tower with additional commercial space and residential units. This location, at the historic heart of the Uptown District across from the Fox Theater, is an appropriate location for higher-density development. Block 4 is within three blocks of Oakland City Center, two blocks to the west of the 19th Street BART station, and within easy walking distance of a rejuvenating commercial corridor along Telegraph Avenue and Broadway. Therefore, the block offers an important opportunity for enhancing the vitality of Downtown Oakland and increasing transit ridership (with associated environmental benefits).

The current proposal for Block 4 would not physically divide an existing neighborhood and would not be incompatible with surrounding land uses. A minor General Plan amendment has already been approved for the portion of Block 4 that would contain the community park (park land is required to have an Open Space General Plan designation). This re-designation to allow for open space uses is a City requirement and does not represent a policy conflict. Therefore, the changes to the proposed project would not result in significant land use impacts, or substantially increase the severity of the land use impacts already identified in the Final EIR.

Population, Employment, and Housing

The project site contains a very low residential population (approximately 20 individuals as of 2003). Block 4 contains no residential population. Changes to the project, including to the overall level of project development, would not increase the number of housing units built on the site compared to the development analyzed in the Final EIR. Therefore, the changes to Block 4 would not alter the expected residential population on the site. The total amount of commercial development within the project site could increase by approximately 11,000 square feet. Based on an average employment density of 350 square feet per employee, the additional commercial space that would be developed within the site would increase overall employment by about 31 persons compared to the project analyzed in the Final EIR. This additional employment would be consistent with the planning projections of Oakland and the Association of Bay Area Governments for the next five to 10 years. Therefore, changes to the proposed project would not displace substantial numbers of people, or result in substantial population or employment growth. These changes would not result in population, housing, and employment impacts that are more severe than those less-than-significant impacts identified in the Final EIR.

Hydrology and Water Quality

The project site, including Block 4, is flat and covered almost completely with impervious surfaces (mostly parking lots). The changes to the project that have occurred since certification of the Final

EIR include changes in building configuration and height, and the location of the community park, and would not substantially change the drainage pattern on the site, the amount of impervious surfaces on the site, or the site's potential to generate polluted stormwater. Currently-proposed development on Block 4 includes two stories of underground parking (extending down to a maximum of 20 feet below the ground surface). This depth of excavation was assumed in the environmental evaluation in the Final EIR. Therefore, the underground garage currently proposed for Block 4 would not increase exposure to and release of contaminated water. Changes to the proposed project would not alter the conclusions of the Final EIR in terms of flooding, groundwater recharge, polluted runoff, and runoff volume. The changes to the project, including to Block 4, would not result in new significant impacts or increase the severity of the three significant hydrology and water quality impacts identified in the Final EIR (construction-period impacts to water quality; operation period impacts to water quality; and release of contaminated groundwater).

Transportation, Circulation, and Parking

The traffic and parking analysis prepared by Korve Engineering in February 2006 describes the less-than-significant traffic impacts associated with changes to the proposed project.² The Korve Engineering memorandum is attached to this Addendum, and can be consulted for additional detail. From a transportation and circulation perspective, key changes to the project are: 1) increase of development on Block 4; 2) elimination of a proposed driveway on Block 4 that would have connected to William Street; 3) increase of approximately 11,000 square feet of commercial space in the entire project site; and 4) reduction of on-site parking by 146 spaces.

In summary, none of these changes to the proposed project would result in new significant impacts or increase the severity of already-identified impacts. Since certification of the Final EIR, traffic levels at intersections around Block 4 have decreased (likely due to demolition activities in other portions of the project site). The changes to Block 4 would generate an additional 15 AM peak hour trips and 19 PM peak hour trips. Even with elimination of the driveway to William Street, these additional Block 4 trips would not result in new impacts (including congestion at 19th Street and San Pablo Avenue, and 19th Street and Telegraph Avenue). The 11,000 square feet of additional commercial space in the project site would result in 12 new PM peak hour trips and 42 new PM peak hour trips. These new trips would also not result in new impacts. Based on the requirements of the City Municipal Code, the project would be required to provide 1,620 parking spaces. Taking into account the reduction of parking on the site by 146 spaces, the project would include a total of 1,813 spaces. Therefore, it would meet the requirements of the Municipal Code (and would not result in parking-related impacts).

Air Quality

The changes to the proposed project involve reconfiguration of buildings and the community park and would not affect the surface extent of ground disturbance in the project site during the construction period. Therefore, these changes would not increase the release of short-term construction period air pollutants beyond the levels identified in the Final EIR. The changes to the project would result in an increase of approximately 11,000 square feet of commercial space compared to the project analyzed in the Final EIR. The associated increase in vehicle trips would not cause new exceedances of regional air pollutant thresholds beyond those already identified in the Final EIR. These exceedances of regional air quality thresholds were identified as significant and unavoidable in the Final EIR;

² Burton, Bill, 2006. *Oakland Uptown Addendum (Traffic and Parking Memorandum)*. February 10.

changes to the project would not increase the severity of this impact. Since certification of the Final EIR, the air quality attainment status of the Bay Area air basin has changed slightly. When the Final EIR was certified, the air basin was under State nonattainment status for 1-hour ozone, particulate matter-10, and particulate matter-2.5. The air basin was under federal non-attainment status for 1-hour ozone (and was unclassified for 8-hour ozone). Currently, the air basin has the same attainment status on the State level. On the federal level, the air basin is under nonattainment status for the 8-hour ozone level (and is under attainment status for the 1-hour ozone level). These changes in attainment status would not create new air quality impacts as a result of project implementation.

Noise

The project site is located adjacent to Downtown Oakland, which experiences high noise levels throughout the day. These already high noise levels, combined with additional noise generated by stationary uses (e.g., air conditioners) and project-related vehicular trips, were expected to result in noise within the site that would exceed City thresholds. The Final EIR identified three significant noise impacts associated with the proposed project: 1) high levels of construction period noise; 2) on-site noise associated with local traffic; and 3) on-site noise associated with stationary sources. All three impacts would be mitigated to a less-than-significant level with implementation of recommended mitigation measures. The construction-period impact discussed in the Final EIR was based on the assumption that pile driving would occur on the project site.

The changes to the project, which include the construction of an apartment or condominium tower on Block 4 and two stories of underground parking, would not require the use of construction equipment that generates noise in excess of that resulting from pile driving. Therefore, the changes to the proposed project would not magnify the severity of the construction-period noise impact identified in the Final EIR. In addition, the changes to the project (which include an increase of approximately 11,000 square feet of commercial space) would not generate a substantial number of trips such that vehicle-related noise levels on local streets would measurably increase beyond the levels identified in the Final EIR. Lastly, the changes to the project would not result in the use of additional noise-generating equipment on the site compared to the project analyzed in the Final EIR. Since certification of the Final EIR, noise levels in and around Downtown Oakland have not increased such that the project would result in more severe noise impacts than those identified in the Final EIR. Therefore, the changes to the project would not generate long-term stationary noise levels beyond those already identified in the Final EIR. No new mitigation would be required.

Hazards and Hazardous Materials

The key hazardous materials concerns on the project site are contaminated soil and groundwater, and lead and asbestos in existing buildings on the site (which would be demolished prior to the project construction period). The Final EIR assumed excavation of the project site to 20 feet below the ground surface (equivalent to the excavation needed for a two-story underground parking garage), and demolition of all buildings on the site (including the Sears Auto Center building on Block 4). The changes to the proposed project, which include the construction of a 23-story tower (with a two-story underground parking garage) on Block 4, would not entail excavation (including groundwater removal) beyond that anticipated in the Final EIR. As noted above, all demolition that would occur as part of the changes to the proposed project was also anticipated in the Final EIR. Therefore, these changes would not increase the release of contaminated soil and groundwater, or lead and asbestos beyond that anticipated in the Final EIR. Construction and operation of the 23-story tower and com-

munity park on Block 4 would not result in new hazards not identified in the Final EIR, and no new mitigation measures would be required.

Utilities and Infrastructure

Although the changes to Block 4 would increase development on that block beyond that anticipated in the Final EIR, these changes would not substantially increase development throughout the entirety of the Uptown Mixed Use Project site. These changes would increase commercial space on the entire project site by approximately 11,000 square feet. This increase in commercial space would not substantially increase demand for water, energy, and telecommunications services, and would not substantially increase generation of wastewater and solid waste. In addition, impervious surfaces on the project site would not change, and stormwater generation within the project site would not increase. Therefore, the changes to the project would not increase the significance of the less-than-significant utilities and infrastructure impacts identified in the Final EIR. Substantial redevelopment has not occurred within or immediately adjacent to the project site since certification of the Final EIR. Therefore, the utility capacity that was expected during the Final EIR analysis is still available. Conditions in and around the site have not changed such that changes to the project would result in new significant impacts to utilities and infrastructure.

Historic Architectural, Archaeological and Paleontological Resources

The changes to the proposed project would involve the construction of a 23-story tower on Block 4. The tower would be immediately to the north of the Oakland Fox Theater, which is a historic resource pursuant to CEQA and is listed on the National Register of Historic Places. The Final EIR evaluated the effects of construction of new five-story buildings to the north and west of the Fox Theater on the theater's historic integrity. A significant effect on the Fox Theater would involve changes that would cause the theater to be ineligible for listing on the National Register. In the Final EIR, it was determined that the proposed project would affect the surroundings of the Fox Theater, but would not adversely affect the historic integrity (or future operation) of the theater. The setting of the Fox Theater has been substantially changed since its construction, and the proposed project would result in additional changes, but these changes would not affect the building's integrity of location, design, materials, and workmanship (which all contribute to the Fox Theater's eligibility for listing on the National Register).

The construction of the 23-story tower on Block 4 would also change the setting of the Fox Theater. However, the proposed tower would not cause the theater to be ineligible for listing on the National Register. Numerous multi-story buildings have been developed in the vicinity of the Fox Theater, especially in Downtown Oakland (to the south of the project site). The construction of an additional high-rise structure in the vicinity of the theater would not substantially adversely affect the historic character of the building because the theater is located in an area that has undergone major change since its date of construction (1927). The Fox Theater was historically the nucleus of the Uptown District, which was primarily a shopping and entertainment neighborhood. The visual focus of the 23-story tower, and the 24-hour population that would be generated by the tower would restore some of the historic urban context that was destroyed by past redevelopment efforts. Therefore, the proposed changes to Block 4 could enhance the integrity of the theater's setting. Because these changes to the project would not adversely affect the historic qualities of the Fox Theater, they would not be considered substantial changes to the circumstances under which the Uptown Mixed-Use Project is undertaken. Substantial changes to a project's circumstances would require major revisions of a Final

EIR, and preparation of a Subsequent EIR; no such revisions are necessary as a result of changes to the proposed project.

Block 4 is also located to the west of the Uptown Shopping/Entertainment Historic District. The proposed tower on Block 4 would not substantially affect the historic integrity of the District for the same reasons that it would not affect the historic integrity of the Fox Theater (e.g., the urban fabric of the area has undergone substantial change since the historic heyday of the District).

The tower would cast new shadow beyond that anticipated in the Final EIR. In the northern hemisphere, shadows generally are cast to the northeast and northwest throughout the year. Therefore, the proposed tower would not cast new shadow on the Fox Theater. During certain times of the year (namely in afternoons in the winter), the tower could cast shadow on the Paramount Theater, which is also listed on the National Register of Historic Places. However, this impact was identified in the Final EIR and was determined to be less-than-significant. The shadow cast on the Paramount Theater by the proposed 23-story building on Block 4 would occur during only limited times of the year; in addition, this shade would not obscure detailing and coloration on the Paramount Theater façade such that the building would become ineligible for listing on the National Register. Therefore, the changes to the project would not substantially adversely affect historic architectural resources, and no new mitigation measures would be required.

The project site, including Block 4, is considered likely to contain unidentified archaeological and paleontological resources. The extensive mitigation measures listed in the Final EIR would reduce potential impacts to these resources to a less-than-significant level. Changes to the project, including construction of the 23-story tower and community park on Block 4 would not increase the potential for impacts to archaeological and paleontological resources on the site. Therefore, no new mitigation measures are required.

Aesthetic Resources

There are no views from within or immediately adjacent to the project site that are considered scenic in the City of Oakland General Plan. Therefore, the proposed tower on Block 4 would not block or substantially alter scenic views. The proposed tower would not block views (from Telegraph Avenue) of the Fox Theater marquee that projects out from the building.

The tower would substantially change the visual environment of the project site, as would the rest of the proposed project. However, this visual change would be largely beneficial. The Uptown site is currently characterized by expansive parking lots, vacant parcels, and minimal pedestrian activity. The proposed tower would result in the generation of substantial 24-hour pedestrian activity at the corner of 19th Street and Telegraph Avenue, the "heart" of the Uptown District. This location, which is located with easy walking distance of two BART stations and Downtown Oakland, is also an appropriate place for high-rise buildings. The tower would be part of a continuous streetwall along Telegraph Avenue and would strengthen the urban streetscape character and pedestrian environment along the street. This would be considered a beneficial environmental impact. The proposed tower would also be subject to Mitigation Measure AES-1 in the Final EIR, which requires that certain architectural elements be included in proposed buildings so that the project enhances the visual character of the area.

The changes to the project would also incrementally increase nighttime lighting in the area. However, review of the proposed tower during the design review process would ensure that this impact is less than significant.

Wind

The proposed tower on Block 4 would be oriented along a north/south axis and could intercept prevailing westerly winds, potentially resulting in wind speeds over 36 miles per hour (mph). This wind-related impact was identified in the Final EIR for the other high-rise buildings proposed on Block 5 and 7 of the project site. Implementation of Mitigation Measures WIND-1a and WIND-1b, which require design features to be incorporated into proposed high-rise buildings to reduce wind speed, and review and evaluation of final building design by a wind consultant, would reduce the wind related impacts of high rise buildings on the project site to a less-than-significant level. These mitigation measures would require only minor changes to make them applicable to the 23-story tower on Block 4. Mitigation Measures WIND-1a and WIND-1b are reproduced below; changes to the language found in the Final EIR are indicated with underlined text.

Mitigation Measure WIND-1a: The final design of the high-rise buildings on Blocks 4, 5, and 7 shall be in accordance with one or more of the following design guidelines. In addition, as part of the design review process for these high-rise buildings, a qualified wind consultant shall ensure the Project is designed in accordance with these guidelines:

- Align long axis of each building along a northwest-southeast alignment to reduce exposure of the wide faces of the building to westerly or southeasterly winds.
- West or southeasterly building faces shall be articulated and modulated through the use of architectural devices such as surface articulation; variation; variation of planes, wall surfaces, and heights; and the placement of setbacks and other similar features.
- *Utilize properly-located landscaping that mitigates high winds. Porous materials (e.g., vegetation, hedges, screens, latticework, perforated metal), which offer superior wind shelter compared to solid surfaces, shall be used.*
- Avoid narrow gaps between buildings where westerly or southeasterly winds could be accelerated; or
- Avoid breezeways or notches at the upwind corners of the building.

Mitigation Measure WIND-1b: A qualified wind consultant shall review and evaluate the final design of the high-rise buildings on Blocks 4, 5, and 7, and shall determine whether incorporated design features would reduce wind impacts to a less-than-significant level. If the wind consultant determines that these design features would reduce wind impacts to a less-than-significant level (i.e., less than 36 mph), no further mitigation would be required. If the wind consultant determines that significant adverse wind impacts could occur, models of the proposed Blocks 5 and 7 buildings shall be subject to wind tunnel testing to determine if the buildings would result in uncomfortable or hazardous winds. The wind consultant shall work with the Project architect to develop further building design modifications that would reduce wind impacts to a less-than-significant level (i.e., standard of less than 36 mph). (LTS)

The changes to Mitigation Measures WIND-1a and WIND-1b are considered minor revisions, and would not require preparation of a subsequent supplemental EIR pursuant to *CEQA Guidelines* § 15162.

Shade and Shadow. The changes to the proposed project (specifically the construction of the 23-story tower) would change the coverage of shadow within and in the vicinity of the project site anticipated in the Final EIR. The tower would cast additional shadow to the northeast and northwest of the project site, especially during mornings and evenings in the winter, when the sun is low in the horizon. However, shadow around the project site is already widespread at these times. The additional shadow cast by the tower would not substantially increase year-round shadow around the project site and would not interfere with the use of solar collectors or existing public parks. In addition, this shadow would not substantially compromise the integrity of historic buildings in the vicinity of the project site.

The tower would cast substantial shade into the proposed community park during the morning hours. However, the community park would be most heavily used during the afternoon, when temperatures are warmer, office workers in Downtown Oakland are on lunch break, and (sometimes) the fog has burned off. The tower would not cast shadow on the community park during the afternoon. The park is expected to be generally shade-free in the early afternoon in spring, summer, and fall. Therefore, changes to the proposed project would not result in new or more significant shade and shadow-related impacts beyond those identified in the Final EIR.

COMPARISON TO THE CONDITIONS LISTED IN CEQA GUIDELINES SECTION 15162

The following discussion summarizes the reasons why a subsequent EIR, pursuant to *CEQA Guidelines* § 15162, is not required to evaluate the environmental effects of the proposed Race.

Substantial Changes to the Project

As described above, the environmental evaluation in the Final EIR was based on the following development assumptions: 1,270 apartments and condominiums; 1,000 student beds; 50 faculty units; 43,000 square feet of commercial space; and 1,959 parking spaces. Compared to the project analyzed in the Final EIR, the currently-proposed project would include the same number of residential units, student beds, and faculty units; almost 11,000 square feet of additional commercial space; and 146 fewer parking spaces. The project analyzed in the Final EIR also included two high-rise (19-story) towers. The currently-proposed project would result in the construction of two 19-story towers and one 23-story tower. Therefore, net project changes include: 11,000 square feet of additional commercial space; a reduction of 146 parking spaces; and the construction of an additional 23-story tower. These changes would not result in significant environmental impacts not identified in the Final EIR, would not increase the severity of impacts already identified in the Final EIR, and would not require the implementation of new or significantly changed mitigation measures. Therefore, the proposed changes to the project are considered *minor* refinements, not *substantial* changes.

Project Circumstances

Since certification of the Final EIR, conditions in and around Downtown Oakland have not changed such that implementation of the project (including the proposed changes) would result in new signifi-

cant environmental effects or a substantial increase in the severity of environmental effects already identified in the Final EIR. No substantial changes in noise levels, air quality, traffic, or other conditions have occurred within and around the project site since certification of the Final EIR. Toxic contamination within the site has not been determined to be more severe than anticipated in the Final EIR. Therefore, the physical conditions of the project site in the future are not expected to result in substantial adverse physical environmental impacts not addressed in the Final EIR.

New Information

No new information of substantial importance has been identified in regard to the proposed project or to the project site such that the project (including proposed changes) would be expected to result in: 1) significant environmental effects not identified in the Final EIR; or 2) more severe environmental effects than shown in the Final EIR, or would require mitigation measures which were previously determined not to be feasible, or mitigation measures which are considerably different from those recommended in the Final EIR. Substantial new information would include new data on soil or groundwater contamination, traffic conditions in Downtown Oakland, and local air quality such that the environmental impacts identified in the Final EIR would be made substantially more severe. No such new information has been identified since publication and certification of the Final EIR. As described previously, changes to the proposed project would not result in significant environmental effects (including effects that would be substantially more severe than impacts identified in the Final EIR). Existing regulations (including City General Plan policies and ordinances in the Municipal Code) and mitigation measures included in the Final EIR would be adequate to reduce the impacts resulting from implementation of changes to the proposed project to less-than-significant levels.

**TRANSPORTATION, CIRCULATION, AND PARKING
MEMORANDUM**

MEMORANDUM

TO: Adam Weinstein, LSA Associates
FROM: Bill Burton, Korve Engineering
DATE: March 30, 2006
SUBJECT: Oakland Uptown Addendum – Revision 1
PROJECT No. 103033X0

Korve Engineering is pleased to submit this technical memorandum summarizing our analysis of the transportation related effects of a proposed change to the Oakland Uptown Project.

INTRODUCTION

This memorandum has been prepared to summarize the results of an analysis of the transportation related effects of a proposed change to the Oakland Uptown project. The proposed changes would consist of a modification in the land uses proposed on Block 4 of the project site, and a small incremental addition of commercial space to other portions of the project site. Block 4 is bounded by Williams Street to the north, Telegraph Avenue to the east, 19th Street to the south and the planned community park to the west. Table 1 summarizes the proposed changes to Block 4.

Table 1
Block 4 – Summary Description

Proposed Use	Final EIR	Current Plan	Net Change
Apartments	225 units	255 units	+30 units
Retail Space	14,500 s.f.	20,000 s.f.	+5,500 s.f.
Parking Spaces	294 spaces	343 spaces	+49 spaces
Access	Driveways on Williams St and 19 th St	Driveway on 19 th Street	- 1 Driveway

As illustrated in Table 1, the land uses currently under consideration for Block 4 include 30 additional residential units, 5,500 square feet of retail space and 49 additional parking spaces. In the project's final EIR traffic study the project was evaluated as having two driveways, one on Williams Street and one 19th Street. Under the current proposal the block would be served by a single driveway on 19th Street. A small increase in the amount of commercial space on other portions of the project site is also included in the modified project (5,500 additional square feet).

The purpose of the current work is to evaluate these changes to determine if they would result in any new significant adverse transportation impacts which were not identified in the original EIR traffic impact assessment. The following three areas are investigated in detail:

- Existing Traffic Volumes – Traffic volumes from the EIR study were collected from a variety of sources from the years 2000 to 2003. If traffic counts have not substantially increased, it is reasonable to assume that the conclusions of the original analyses would remain valid, and no new significant traffic impacts would be expected.
- Trip Generation and Intersection Analysis – The proposed changes to Block 4 and other portions of the project site are evaluated relative to their affects on project trip generation and intersection peak hour levels of service. As the project proposes a more intense land use on Block 4, additional traffic will be generated by the proposed project. In addition, Block 4 would have one rather than two driveways under the current configuration which will concentrate traffic flows at intersections on 19th Street. The effects of these changes on critical intersections surrounding Block 4 are tested to assess if new traffic impacts are triggered by the proposed changes. In addition, the overall size of the commercial portion of the project has increased by a small amount. The affects of this increase are also included in the evaluation.
- Parking Analysis – The amount of parking proposed for the project has changed. In the original EIR, a total of 1,959 spaces were included as part of the project. Currently, 146 fewer spaces are contemplated for a total of 1,813 spaces.

EXISTING TRAFFIC VOLUME COMPARISON

Traffic counts prepared for the project's original traffic study were compared with traffic counts conducted in the neighborhood during the evening peak hour of February 8, 2006. The purpose of this comparison is to determine if substantial changes in existing traffic levels have occurred. The results of this comparison are summarized in Table 2. Traffic counts and intersection analysis conducted for this evaluation concentrate on the evening peak hour of travel. As identified in the EIR study, conditions during the PM peak hour are uniformly more congested throughout the study area and describe the worst-case condition from a traffic impact perspective.

Traffic counts and subsequent intersection analysis focus on the following two intersections:

- 19th Street/Telegraph Avenue; and
- 19th Street/San Pablo Avenue.

These intersections would experience the greatest impact from the changes proposed for Block 4 of the Uptown project. The elimination of the proposed driveway on Williams Street and the increase in the intensity of land uses on the block would focus all new traffic on 19th Street between Telegraph Avenue and San Pablo Avenue. The effects of these changes are evaluated below.

The traffic counts conducted for the original EIR study were performed on various dates from the year 2000 to 2003. All of the previous and current counts were conducted during clear midweek days (Tuesday, Wednesday or Thursday) on non-holiday weeks. These previous counts were compared to recent counts conducted on February 8, 2006.

As presented in Table 2, traffic conditions at critical intersections surrounding Block 4 have decreased since the original EIR counts were conducted. This decrease likely occurred due to the recent demolition of land uses on the project site initiated as part of the proposed project's construction. It should be noted that the original EIR traffic study took no trip generation "credit" for the removal of trips associated with the demolition of land uses on the project site.

Because existing traffic levels in the study area have not substantially increased since the preparation of the EIR traffic study, it is reasonable to assume that no new significant adverse impacts would be identified if a new traffic study were performed (i.e. the traffic conditions would be equal to or less than the condition evaluated in the EIR).

Table 2
Intersection Turning Movement Comparison – Existing Conditions - PM Peak Hour

Intersection	Final EIR	February 8, 2006	Net Change
19 th Street/Telegraph	1,537	1,479	-58
19 th Street/San Pablo	1,271	1,220	-51

TRIP GENERATION/INTERSECTION LOS COMPARISON

Table 3 presents a summary of the trip generation characteristics of the proposed new uses on the project site (Block 4 modifications and additional 5,500 square feet of commercial space on other portions of the project site). For consistency purposes, the analysis was conducted in the same manner using the same assumptions developed for the EIR (i.e. rates, modal split, etc).

As illustrated in Table 3, the new uses contemplated for the project site would generate approximately 23 AM peak hour vehicle trips, 52 PM peak hour vehicle trips and 569 daily vehicle trips (the new uses on Block 4 would generate approximately 18 AM peak hour vehicle trips, 34 PM peak hour trips and 370 daily trips). Small increases in transit usage would also occur due to the proposed increase in land use intensity.

Table 3
 Trip Generation – Incremental Increase due to New Uses

Land Use	Size	AM Peak			PM Peak			Daily		
		In	Out	Total	In	Out	Total	In	Out	Total
Apartments	30 DU	2	13	15	13	6	19	99	100	199
Retail	11,000 sf	8	4	12	20	22	42	236	236	472
Subtotal (All Trips)		10	17	27	33	28	61	335	336	671
Modal Split ^b										
BART Trips		(0)	(1)	(1)	(1)	(1)	(2)	(10)	(10)	(20)
AC Bus Trips		(0)	(1)	(1)	(1)	(0)	(1)	(6)	(6)	(12)
Linked Trips ^c		(1)	(1)	(2)	(3)	(3)	(6)	(35)	(35)	(70)
Total Vehicle Trips		9	14	23	28	24	52	284	285	569

^a The ITE "Apartment" land use category 220 was used to complete the trip generation forecast for the "student and faculty housing" use.

^b Transit trips are estimated to be 16 percent of all residential trips generated by the proposed Project. BART and AC transit are estimated to serve 62 and 38 percent of Project transit trips, respectively, based on the ACCMA's model, updated to reflect the cumulative land use forecasts of the City of Oakland.

^c 15 percent of the retail trips are assumed to be internal linked trips.

Source: ITE, Trip Generation, 6th Edition, 1997; Korve Engineering, 2006.

The intersections directly adjacent to Block 4 have been analyzed under the EIR's analysis scenarios and the new project description. This new analysis reflects the increase in land use intensity, and the removal of the Block 4 driveway onto Williams Street. The results of this analysis are summarized in Table 4.

Table 4
 Intersection LOS Comparison

Intersection	Peak Hour	Intersection LOS (Average Vehicle Delay in Seconds)				
		Existing	Existing + Project	Year 2025 No Project	Year 2025 + Project	Year 2025 + Project and Mitigation
EIR PROJECT DESCRIPTION						
San Pablo Ave/19 th Street	PM	C (24.7)	C (25.8)	C (26.5)	C (28.7)	N/A
Telegraph Ave/19 th Street	PM	B (10.9)	D (39.7)	F (95.1)	F (134.9)	E (66.5)
CURRENT PROJECT DESCRIPTION						
San Pablo Ave/19 th Street	PM	C (24.7)	C (26.3)	C (26.5)	C (29.6)	N/A
Telegraph Ave/19 th Street	PM	B (10.9)	D (52.1)	F (95.1)	F (144.9)	E (77.1)

As illustrated in Table 4, the new land uses and driveway modifications would not alter any of the conclusions of the EIR traffic study. The levels of service, impacts and mitigation measures at these critical locations would be identical to those identified in the EIR. The impacts identified to occur as a result of the EIR project description would also occur under the current project description. While small increases in delay would be anticipated at the two study intersections the identified levels of service would not change. Thus, these increases in delay would not be large enough to constitute new impacts not identified in the EIR. In addition, the mitigation measures identified to mitigate impacts under the EIR traffic study would continue to fully mitigate impacts

Mr. Adam Weinstein
March 30, 2006
Page 5

identified under the current project description (i.e. new or additional impacts or mitigation measures would not result).

PARKING ANALYSIS

The amount of parking proposed for the project has changed. In the original EIR, a total of 1,959 spaces were included as part of the project. Currently, 146 fewer spaces are contemplated for a total of 1,813 spaces. According to City of Oakland Municipal Code the project, as currently proposed, is required to provide 1,620 parking spaces. Thus, the project as currently proposed provides sufficient parking.

FILED
OFFICE OF THE CITY CLERK
OAKLAND

2006 APR 11 PM 1:21

APPROVED AS TO FORM AND LEGALITY:



Agency Counsel

REDEVELOPMENT AGENCY OF THE CITY OF OAKLAND

RESOLUTION No. _____ C.M.S.

AGENCY RESOLUTION AUTHORIZING THE SALE OF REAL PROPERTY LOCATED ON A BLOCK BOUNDED BY TELEGRAPH AVENUE, WILLIAMS STREET, A NEW PUBLIC PARK AND 19TH STREET TO FOREST CITY RESIDENTIAL WEST, INC. FOR \$6,900,000 FOR A MIXED-USE PROJECT, AND AUTHORIZING A DISPOSITION AND DEVELOPMENT AGREEMENT FOR THE PROJECT

WHEREAS, the California Community Redevelopment Law, Health and Safety Code Section 33430, authorizes a redevelopment agency within a survey (project) area or for purposes of redevelopment to sell real property, and Section 33432 requires that any sale of real property by a redevelopment agency in a project area must be conditioned on redevelopment and use of the property in conformity with the redevelopment plan, and Section 33439 provides that a redevelopment agency must retain controls and establish restrictions or covenants running with the land for property sold for private use as provided in the redevelopment plan; and

WHEREAS, the Central District Urban Renewal Plan adopted on June 12, 1969, as subsequently amended, as well as the Five-Year Implementation Plan for the Central District (2004-2009) (together, the "Central District Redevelopment Plan" or "Redevelopment Plan"), authorizes the Redevelopment Agency to sell land in the Central District Redevelopment Project Area (the "Central District"); and

WHEREAS, the Redevelopment Agency ("Agency") and City of Oakland ("City") have initiated the "10K Downtown Housing Program" to attract ten thousand new residents into the Central District, and the Agency has determined that it desires to encourage new housing development in part by offering Agency-owned land to developers for the construction of new housing; and

WHEREAS, the Agency owns the property bounded by Telegraph Avenue, William Street, a New Public Park and 19th Street, more fully described in Exhibit A-1 and A-2 attached to this Resolution (the "Property"), which is located in the Uptown Mixed-Use Project area within the Uptown Activity Area of the Central District Redevelopment Project Area; and

WHEREAS, on October 18, 2005, the Agency approved Resolution 2005-61 C.M.S., authorizing the Agency Administrator to enter into an Exclusive Negotiating Agreement (ENA) with Forest City Residential West, Inc., or an affiliated entity ("Forest City"), for a term of ninety (90) days for purposes of preliminarily evaluating the feasibility of, and negotiating terms and conditions for the development of a mixed-use project including retail and housing on the Property; and

WHEREAS, said ENA term was extended by another 104 days for a total terms of 194 days pursuant to the Agency Resolution 2006-0 C.M.S.; and

WHEREAS, Forest City, or an affiliated entity, desires to purchase the Property from the Agency in order to develop a mixed-use project consisting of at least 120 units of rental or for-sale housing, along with an approximately 20,000 square-foot retail component (the "Project"); and

WHEREAS, staff has negotiated a Disposition and Development Agreement ("DDA") with Forest City which sets forth the terms and conditions of the sale of the Property to Forest City, and governs the development of the Project and the use of the Property by Forest City and any successors to the Property subsequent to sale through recorded covenants running with the land; and

WHEREAS, the DDA requires that Forest City construct and operate the Project consistent with the Redevelopment Plan and restricts the use of the Property to housing and commercial uses; and

WHEREAS, the DDA and the grant deed that will convey the Property to Forest City, or Forest City's affiliate, adequately condition the sale of the Property on the redevelopment and use of the Property in conformity with the Central District Redevelopment Plan, and such documents prohibit discrimination in any aspect of the Project as required under the Central District Redevelopment Plan and the California Community Redevelopment Law; and

WHEREAS, the Project uses are in conformity with the Central District Redevelopment Plan, the Project will assist in the elimination of blight in the Central District Redevelopment Area, and the Project will help meet the objectives of the Central District Redevelopment Plan; and

WHEREAS, the California Community Redevelopment Law (Health & Safety Code Section 33433) requires that before any property of a redevelopment agency that is acquired in whole or in part with tax increment moneys is sold for development pursuant to a redevelopment plan, the sale must first be approved by the legislative body, i.e., the city council, by resolution after public hearing; and

WHEREAS, as required by the California Community Redevelopment Law, the Agency has made available to the public for inspection, no later than the first date of publication of the notice for the hearing, a report that contained a copy of the draft DDA and a summary of the cost of the agreement to the Agency, the estimated fair market value of the Property at its highest and best use permitted under the Redevelopment Plan, and an explanation of why the sale of the Property and development of the Project will assist in the elimination of blight, with supporting facts and material; and

WHEREAS, a joint public hearing between the Agency and the City Council of the City of Oakland was held to hear public comments on the sale of the Property for the Project; and

WHEREAS, notice of the sale of the Property and the public hearing was given by publication at least once a week for not less than two weeks prior to the public hearing in a newspaper of general circulation in Alameda County; and

WHEREAS, the City approved the sale of the Property by resolution after the public hearing; and

WHEREAS, the Agency is a Responsible Agency for this Project for purposes of environmental review under the California Environmental Quality Act of 1970 ("CEQA"); and

WHEREAS, the City, as the Lead Agency for the Uptown Mixed-Use Project, for purposes of environmental review under the CEQA, previously prepared a focused Environmental Impact Report ("EIR") for the Uptown Mixed-Use Project as proposed by Forest City, which covered the Property, analyzing the significant environmental effects and mitigation measures in accordance with the California Environmental Quality Act, Public Resources Code § 21000, et seq.; and

WHEREAS, on February 18, 2004, the Oakland Planning Commission in accordance with CEQA Guidelines § 15090 certified that the Final EIR for the Uptown Mixed-Use Project was completed in compliance with CEQA and the Guidelines for Implementation of the California Environmental Quality Act (14 CCR sections 15000, et seq., the "State EIR Guidelines"), and the City's Environmental Review Regulations; and

WHEREAS, the Agency independently reviewed and considered the information contained in the Final EIR of the Uptown-Mixed Use Project; and

WHEREAS, the Agency, based on its review of the Planning Commission's action with respect to the Final EIR and other substantial evidence in the record, found and determined that the Final EIR for the Uptown Mixed-Use Project examined a reasonable range of alternatives, and that each alternative was rejected as infeasible for various reasons; and

WHEREAS, the Agency found and determined that all adverse environmental effects of the Uptown Mixed-Use Project would be less than significant or reduced to less-than-significant levels after adoption and implementation of the mitigation measures identified in the EIR and the mitigation and monitoring program; and

WHEREAS, the Agency adopted statements of overriding consideration specified in CEQA Guidelines §§ 15091, 15092 and 15093, and found and determined that the important benefits of the *Uptown Mixed-Use Project identified in the Statement of Overriding Considerations each separately and independently outweigh the adverse unavoidable environmental effects of the Uptown Mixed-Use Project*; and

WHEREAS, on July 20, 2004, the Agency approved the Uptown Mixed-Use Project and a Notice of Determination was subsequently filed with Alameda County; and

WHEREAS, in March of 2006, the City, as the Lead Agency for this Project for purposes of environmental review under CEQA, prepared Addendum #1 to the Final EIR for the Uptown Mixed-Use Project; and

WHEREAS, Addendum #1 to the Final EIR for the Uptown Mixed-Use Project specifically analyzed the potential for any new and/or increased environmental impacts related to relocating a 23-story tower element from Parcel 3 to the Property within the Uptown Mixed-Use Project area, and also included analysis of cultural resources, aesthetics, and transportation, among other topics, and;

WHEREAS, Addendum #1 to the Final EIR for the Uptown Mixed-Use Project concluded that (1) the currently proposed Project fits within the development envelope previously reviewed in the Final EIR (it represents a reorganization of previously considered development on the Property); (2) existing conditions have not changed substantially since approval of the Final EIR to require any new analysis under CEQA; and (3) no new information of substantial importance has come to light that would alter the previously prepared analysis or conclusion included in the Final EIR. Therefore, preparation of a subsequent or supplemental EIR is not required, as specified in CEQA and the State EIR Guidelines, including without limitation, Public Resources Code Section 21166 and State EIR Guidelines Section 15162 and 15163; and

WHEREAS, the Agency independently reviewed and considered the findings and conclusions of Addendum #1 to the Final EIR of the Uptown Mixed-Use Project for applicability to the proposed Project; now, therefore, be it

RESOLVED: That the Agency hereby finds and determines: (1) that it has been presented and has independently reviewed and considered the information contained in the previously certified Final EIR for the Uptown Mixed-Use Project and Addendum #1, and that the EIR and Addendum#1 comply with CEQA and the CEQA Guidelines and for analysis of the Project's environmental effects and mitigation measures; (2) that the mitigation measures adopted by the Agency in considering the Final EIR for the Uptown Mixed-Use Project, are hereby adopted for the Project, on the basis of substantial evidence in the record that the Final EIR for the Uptown Mixed-Use Project and Addendum #1 fully analyze the potential environmental effects of the Project and incorporate mitigation measures to substantially lessen or avoid any potentially significant impacts in accordance with CEQA; and (3) that none of the circumstances necessitating preparation of additional CEQA review as specified in CEQA and the CEQA Guidelines, including without limitation Public Resources Code Section 21166 and CEQA Guidelines Section 15162, are present in that (1) there are no substantial changes proposed in the Project or the circumstances under which the Project is undertaken that would require major revisions of the EIR due to the involvement of new environmental effects or a substantial increase in the severity of previously identified significant effects; and (2) there is no "new information of substantial importance" as described in CEQA Guidelines Section 15162(a)(3); and be it further

RESOLVED: That the Agency hereby finds and determines that the sale of the Property by the Agency to Forest City for the Project furthers the purposes of the California Community Redevelopment Law, contributes to the elimination of blight in the Central District Redevelopment Project Area, conforms to the Central District Redevelopment Plan, including its Implementation

Plan, and furthers the goals and objectives of said Redevelopment Plan in that: (1) the Project will increase the stock of housing in the Central District, and reestablish residential areas for all economic levels within the Central District; (2) the Project will provide necessary neighborhood-serving commercial facilities lacking in the Central District; (3) the Project, once developed, will create permanent jobs for low and moderate income people, including jobs for area residents; (4) the Project will help create a stable 24-hour residential community which will enhance the viability of retail businesses in the area; (5) the Project will redevelop a key vacant and underutilized site in the Central District; (6) the Project will improve environmental design within the Central District; and (7) the Project, once developed, will enhance depreciated and stagnant residential and commercial property values in the surrounding areas, and will encourage efforts to alleviate economic and physical blight conditions in the area, including high business vacancy rates, excessive vacant lots, and abandoned buildings, by enhancing the development potential and overall economic viability of neighboring properties; and be it further

RESOLVED: That the Agency hereby authorizes the Agency Administrator or her designee to sell the Property to Forest City, or an affiliated entity, for the purchase price of \$6.9 million, subject to and on the terms and conditions of the DDA; and be it further

RESOLVED: That the Agency finds and determines that the purchase price of \$6.9 million equals or exceeds the fair market value of the Property at its highest and best use permitted under the Redevelopment Plan, that there are no Agency or City subsidies to the developer in this transaction, and that therefore the Agency's employment and contracting programs do not apply; and be it further

RESOLVED: That the Agency may pay for its share of closing costs related to the transfer of the Property from the sales proceeds of \$6.9 million generated by the transaction; and

RESOLVED: That the transaction shall include the following terms and conditions:

- The purchase price on \$6.9 million is to be paid in the form of cash at the close of escrow;
- Forest City or Forest City's affiliate to purchase the Property in its "as-is" condition;
- Forest City or Forest City's affiliate to comply with the provisions of the Central District Redevelopment Plan and nondiscrimination provisions of redevelopment law;
- The Plans and Specifications for the Project to be reviewed and approved by the Agency;
- Transfer of the Property restricted prior to Project completion;
- Project commencement and completion dates to be set in the DDA as negotiated by the Agency Administrator;
- No required application of the Agency's employment and contracting programs (prevailing wage, local employment, local/small local business enterprise contracting, apprenticeship, living wage, or first-source hiring) to the Project;
- Project to be restricted to residential, retail and parking uses;
- Project to include at least 20,000 square feet of retail use;

- Any other appropriate terms and conditions as the Agency Administrator or his or her designee may establish in her or her discretion or as the California Community Redevelopment Law or the Redevelopment Plan may require;

and be it further

RESOLVED: That the land sale proceeds after deduction of the Agency's share of closing costs shall be deposited into the Agency's Unrestricted Land Sale Proceeds fund (Fund 9553) Capital Improvement Project – Economic Development Organization (#94800), Agency Revenue Account (#48111); and be it further

RESOLVED: That the Agency hereby authorizes the Agency Administrator or her designee to negotiate and execute a DDA for the Project with Forest City, or an affiliated entity; and be it further

RESOLVED: That any and all documents necessary to effectuate the intent of this resolution shall be reviewed and approved as to form by the Agency Counsel prior to execution by the Agency Administrator or her designee, and copies will be placed on file with the Agency Secretary; and be it further

RESOLVED: That the Agency finds and determines that this Resolution complies with CEQA and that the City Administrator or his or her designee is directed to file a Notice of Determination with the appropriate agencies within five (5) working days of this Resolution in accordance with CEQA guidelines; and be it further

RESOLVED: That the record before the Agency on this matter includes the information set forth in the Public Resources Code § 21167.6(e), including, without limitation, all final staff reports and final documentation and information produced by or on behalf of the City or Agency including without limitation the Draft EIR and the Final EIR for the Uptown Mixed-Use Project and supporting final technical studies and appendices, and all related and supporting material, and all final notices relating to the Project and attendant hearings and meetings; all oral and written evidence received by the City Planning Commission, the Agency and City Council during the public hearings on the Project; all written evidence received by relevant City and Agency staff before and during public hearings on the Project and appeal; and all matters of common knowledge and all official enactment of the City and Agency such as the General Plan and Oakland Municipal Code, other applicable City policies and regulations and all applicable state and federal laws, rules and regulations; and be it further

RESOLVED: That the Agency Administrator or his or her designee is directed to file a Notice of Determination with the appropriate agencies within five (5) working days of this Resolution in accordance with CEQA guidelines; and be it further

RESOLVED: That the custodians and locations of the documents or other materials which constitute the record of proceedings upon which the Agency's decision is based are respectively: (a) the Community & Economic Development Agency, Projects Division, 250 Frank H. Ogawa Plaza, 5th Floor, Oakland CA; (b) the Community & Economic Development Agency, 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.

IN AGENCY, OAKLAND, CALIFORNIA, _____, 2006

PASSED BY THE FOLLOWING VOTE:

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

NOES-

ABSENT-

ABSTENTION-

ATTEST: _____

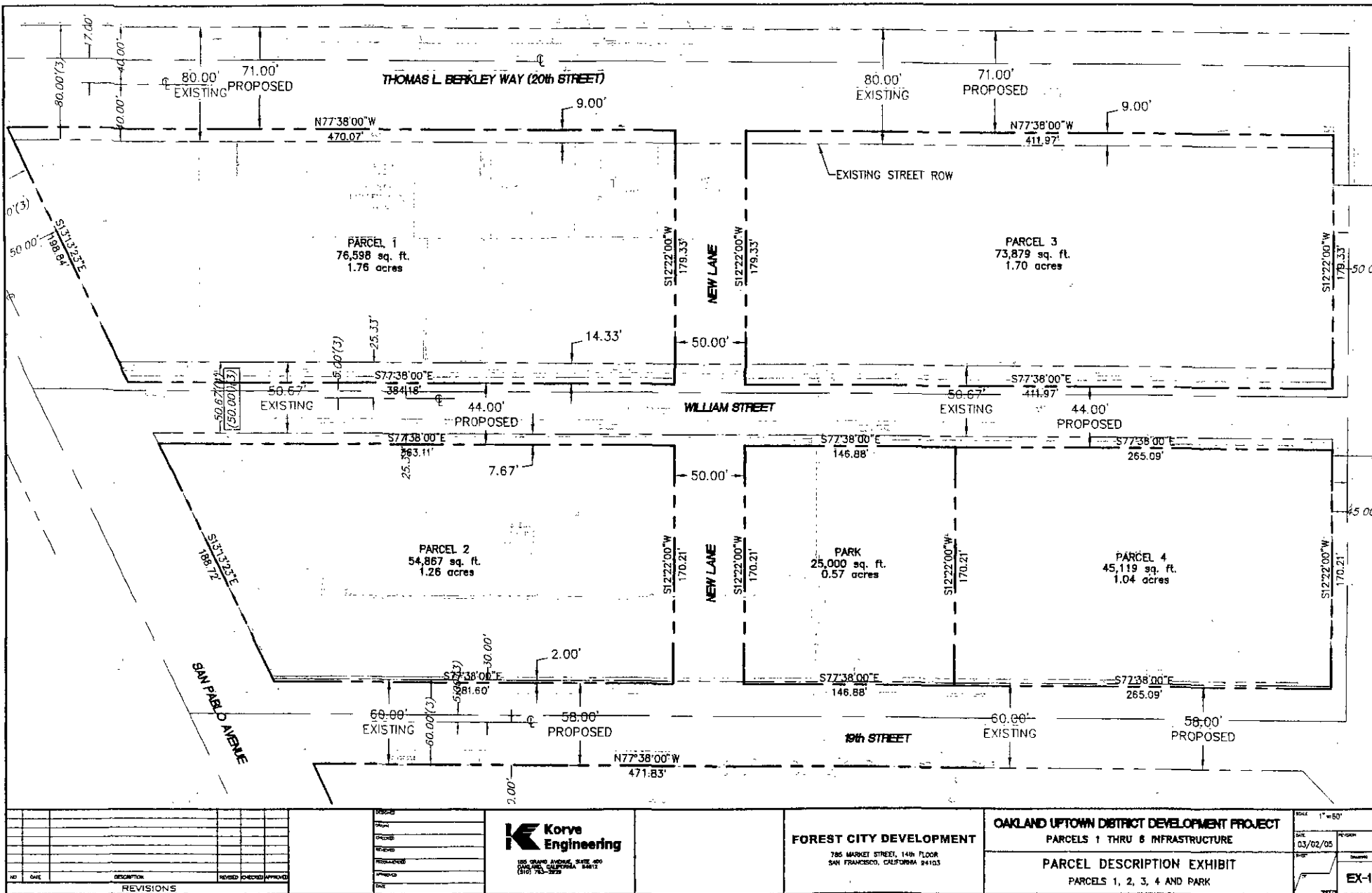
LATONDA SIMMONS
Secretary of the Redevelopment Agency
of the City of Oakland

EXHIBIT A-1

LEGAL DESCRIPTION OF THE PROPERTY

BEGINNING AT THE INTERSECTION OF THE WESTERLY LINE OF TELEGRAPH AVENUE WITH THE SOUTHERLY LINE OF WILLIAM STREET; THENCE SOUTHERLY ALONG SAID LINE OF TELEGRAPH AVENUE SOUTH 12 DEGREES 22 MINUTES WEST, 170.21 FEET TO THE NORTHERLY LINE OF 19TH STREET; THENCE WESTERLY ALONG SAID LINE OF 19TH STREET, NORTH 77 DEGRESS 38 MINUTES WEST, 265.09 FEET; THENCE NORTH 12° 22' EAST, 170.21 FEET TO THE SOUTHERLY LINE OF WILLIAMS STREET; TEHNCE EASTERLY ALONG SAID LINE OF WILLIAM STREET SOUTH 77 DEGREES 38 MINUTES EAST, 265.09 FEET TO THE POINT OF BEGINNING.

CONTAINING 1.04 ACRES MORE OR LESS



NO.	DATE	DESCRIPTION	REVISED	CHECKED	APPROVED
REVISIONS					

DESIGNED	
DRAWN	
CHECKED	
IN CHARGE	
DATE	

Korve Engineering

180 GRAND AVENUE, SUITE 400
 OAKLAND, CALIFORNIA 94612
 (415) 763-5278

FOREST CITY DEVELOPMENT

785 MARKET STREET, 14th FLOOR
 SAN FRANCISCO, CALIFORNIA 94103

OAKLAND UPTOWN DISTRICT DEVELOPMENT PROJECT
 PARCELS 1 THRU 6 INFRASTRUCTURE

PARCEL DESCRIPTION EXHIBIT
 PARCELS 1, 2, 3, 4 AND PARK

SCALE 1" = 50'

DATE 03/02/05

EX-1

ATTACHMENT A-2

FILED
OFFICE OF THE CITY CLERK
OAKLAND
2006 APR 11 PM 1:21

APPROVED AS TO FORM AND LEGALITY:



Deputy City Attorney

OAKLAND CITY COUNCIL

RESOLUTION No. _____ C.M.S.

**RESOLUTION APPROVING THE SALE OF REAL PROPERTY
LOCATED ON A BLOCK BOUNDED BY TELEGRAPH AVENUE,
WILLIAMS STREET, A NEW PUBLIC PARK AND 19TH STREET TO
FOREST CITY RESIDENTIAL WEST, INC. FOR \$6,900,000 FOR A
MIXED-USE PROJECT**

WHEREAS, the California Community Redevelopment Law, Health and Safety Code Section 33430, authorizes a redevelopment agency within a survey (project) area or for purposes of redevelopment to sell real property; and

WHEREAS, the California Community Redevelopment Law (Health & Safety Code Section 33433) requires that before any property of a redevelopment agency that is acquired in whole or in part with tax increment moneys is sold for development pursuant to a redevelopment plan, the sale must first be approved by the legislative body, i.e., the City Council, by resolution after public hearing; and

WHEREAS, the Redevelopment Agency ("Agency") and City of Oakland ("City") have initiated the "10K Downtown Housing Program" to attract ten thousand new residents into the Central District, and the Agency has determined that it desires to encourage new housing development in part by offering Agency-owned land to developers for the construction of new housing; and

WHEREAS, the Agency owns the property bounded by Telegraph Avenue, William Street, a New Public Park and 19th Street, more fully described in Exhibit A-1 and A-2 attached to this Resolution (the "Property"), which is located in the Uptown Mixed-Use Project area within the Uptown Activity Area of the Central District Redevelopment Project Area; and

WHEREAS, Forest City, or an affiliated entity, desires to purchase the Property from the Agency in order to develop a mixed-use project consisting of at least 120 units of rental or for-sale housing, along with an approximately 20,000 square-foot retail component (the "Project"); and

WHEREAS, Agency staff has negotiated a Disposition and Development Agreement ("DDA") with Forest City which sets forth the terms and conditions of the sale of the Property to Forest City, and governs the development of the Project and the use of the Property by Forest City and any

successors to the Property subsequent to sale through recorded covenants running with the land; and

WHEREAS, the DDA requires that Forest City construct and operate the Project consistent with the Central District Urban Renewal Plan and restricts the use of the Property to housing and commercial uses; and

WHEREAS, the DDA and the grant deed that will convey the Property to Forest City, or Forest City's affiliate, adequately condition the sale of the Property on the redevelopment and use of the Property in conformity with the Central District Redevelopment Plan, and such documents prohibit discrimination in any aspect of the Project as required under the Central District Redevelopment Plan and the California Community Redevelopment Law; and

WHEREAS, the Project uses are in conformity with the Central District Redevelopment Plan, the Project will assist in the elimination of blight in the Central District Redevelopment Area, and the Project will help meet the objectives of the Central District Redevelopment Plan; and

WHEREAS, as required by the California Community Redevelopment Law, the Agency has made available to the public for inspection, no later than the first date of publication of the notice for the hearing, a report that contained a copy of the draft DDA and a summary of the cost of the agreement to the Agency, the estimated fair market value of the Property at its highest and best use permitted under the Redevelopment Plan, and an explanation of why the sale of the Property and development of the Project will assist in the elimination of blight, with supporting facts and material; and

WHEREAS, a joint public hearing between the Agency and the City Council was held to hear public comments on the sale of the Property for the Project; and

WHEREAS, notice of the sale of the Property and the public hearing was given by publication at least once a week for not less than two weeks prior to the public hearing in a newspaper of general circulation in Alameda County; and

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

WHEREAS, the City, as the Lead Agency for the Uptown Mixed-Use Project, for purposes of environmental review under the CEQA, previously prepared a focused Environmental Impact Report ("EIR") for the Uptown Mixed-Use Project as proposed by Forest City, which covered the Property, analyzing the significant environmental effects and mitigation measures in accordance with the California Environmental Quality Act, Public Resources Code § 21000, et seq.; and

WHEREAS, on February 18, 2004, the Oakland Planning Commission in accordance with CEQA Guidelines § 15090 certified that the Final EIR for the Uptown Mixed-Use Project was completed in compliance with CEQA and the Guidelines for Implementation of the California Environmental Quality Act (14 CCR sections 15000, et seq., the "State EIR Guidelines"), and the City's Environmental Review Regulations; and

WHEREAS, the City independently reviewed and considered the information contained in the Final EIR of the Uptown-Mixed Use Project; and

WHEREAS, the City, based on its review of the Planning Commission's action with respect to the Final EIR and other substantial evidence in the record, found and determined that the Final EIR for the Uptown Mixed-Use Project examined a reasonable range of alternatives, and that each alternative was rejected as infeasible for various reasons; and

WHEREAS, the City adopted statements of overriding consideration specified in CEQA Guidelines §§ 15091, 15092 and 15093, and found and determined that the important benefits of the Uptown Mixed-Use Project identified in the Statement of Overriding Considerations each separately and independently outweigh the adverse unavoidable environmental effects of the Uptown Mixed-Use Project; and

WHEREAS, on July 20, 2004, the City approved the Uptown Mixed-Use Project and a Notice of Determination was subsequently filed with Alameda County; and

WHEREAS, in March of 2006, the City, as the Lead Agency for this Project for purposes of environmental review under CEQA, prepared Addendum #1 to the Final EIR for the Uptown Mixed-Use Project; and

WHEREAS, Addendum #1 to the Final EIR for the Uptown Mixed-Use Project specifically analyzed the potential for any new and/or increased environmental impacts related to relocating a 23-story tower element from Parcel 3 to the Property (which is identified as Parcel 4 in the Addendum #1) within the Uptown Mixed-Use Project area, and also included analysis of cultural resources, aesthetics, and transportation, among other topics, and;

WHEREAS, Addendum #1 to the Final EIR for the Uptown Mixed-Use Project concluded that (1) the currently proposed Project fits within the development envelope previously reviewed in the Final EIR (it represents a reorganization of previously considered development on the Property); (2) existing conditions have not changed substantially since approval of the Final EIR to require any new analysis under CEQA; and (3) no new information of substantial importance has come to light that would alter the previously prepared analysis or conclusion included in the Final EIR. Therefore, preparation of a subsequent or supplemental EIR is not required, as specified in CEQA and the State EIR Guidelines, including without limitation, Public Resources Code Section 21166 and State EIR Guidelines Section 15162 and 15163; and

WHEREAS, the City independently reviewed and considered the findings and conclusions of Addendum #1 to the Final EIR of the Uptown Mixed-Use Project for applicability to the proposed Project; and

WHEREAS, the Final EIR of the Uptown Mixed-Use Project and Addendum #1 reflect the City's independent judgment and analysis; now, therefore, be it

RESOLVED: That the City hereby finds and determines: (1) that it has been presented and has independently reviewed and considered the information contained in the previously certified Final EIR for the Uptown Mixed-Use Project and Addendum #1, and that the EIR and Addendum#1 comply with CEQA and the CEQA Guidelines for analysis of the Project's environmental effects and mitigation measures; (2) that the mitigation measures adopted by the City in considering the Final EIR for the Uptown Mixed-Use Project, are hereby adopted for the Project, on the basis of substantial evidence in the record that the Final EIR for the Uptown Mixed-Use Project and Addendum #1 fully analyze the potential environmental effects of the Project and incorporate mitigation measures to substantially lessen or avoid any potentially significant impacts in accordance with CEQA; and (3) that none of the circumstances necessitating preparation of additional CEQA review as specified in CEQA and the CEQA Guidelines, including without limitation Public Resources Code Section 21166 and CEQA Guidelines Section 15162, are present in that (1) there are no substantial changes proposed in the Project or the circumstances under which the Project is undertaken that would require major revisions of the EIR due to the involvement of new environmental effects or a substantial increase in the severity of previously identified significant effects; and (2) there is no "new information of substantial importance" as described in CEQA Guidelines Section 15162(a)(3); and be it further

RESOLVED: That the City hereby finds and determines that the sale of the Property by the Agency to Forest City for the Project furthers the purposes of the California Community Redevelopment Law, contributes to the elimination of blight in the Central District Redevelopment Project Area, conforms to the Central District Redevelopment Plan, including its Implementation Plan, and furthers the goals and objectives of said Redevelopment Plan in that: (1) the Project will increase the stock of housing in the Central District, and reestablish residential areas for all economic levels within the Central District; (2) the Project will provide necessary neighborhood-serving commercial facilities lacking in the Central District; (3) the Project, once developed, will create permanent jobs for low and moderate income people, including jobs for area residents; (4) the Project will help create a stable 24-hour residential community which will enhance the viability of retail businesses in the area; (5) the Project will redevelop a key vacant and underutilized site in the Central District; (6) the Project will improve environmental design within the Central District; and (7) the Project, once developed, will enhance depreciated and stagnant residential and commercial property values in the surrounding areas, and will encourage efforts to alleviate economic and physical blight conditions in the area, including high business vacancy rates, excessive vacant lots, and abandoned buildings, by enhancing the development potential and overall economic viability of neighboring properties; and be it further

RESOLVED: That the City finds and determines that the purchase price of \$6.9 million equals or exceeds the fair market value of the Property at its highest and best use permitted under the Redevelopment Plan, that there are no Agency or City subsidies to the developer in this transaction, and that therefore the City's employment and contracting programs do not apply; and be it further

RESOLVED: That the City hereby approves the sale of the Property by the Agency to Forest City, or an affiliated entity, for the purchase price of \$6.9 million, subject to and on the terms and conditions of the DDA; and be it further

RESOLVED: That any and all documents necessary to effectuate the intent of this resolution shall be reviewed and approved as to form by the City Attorney prior to execution, and copies will be placed on file with the City Clerk; and be it further

RESOLVED: That the City finds and determines that this Resolution complies with CEQA and that the City Administrator or his or her designee is directed to file a Notice of Determination with the appropriate agencies within five (5) working days of this Resolution in accordance with CEQA guidelines; and be it further

RESOLVED: That the record before the City on this matter includes the information set forth in the Public Resources Code § 21167.6(e), including, without limitation, all final staff reports and final documentation and information produced by or on behalf of the City or Agency including without limitation the Draft EIR and the Final EIR for the Uptown Mixed-Use Project and supporting final technical studies and appendices, and all related and supporting material, and all final notices relating to the Project and attendant hearings and meetings; all oral and written evidence received by the City Planning Commission, the Agency and City Council during the public hearings on the Project; all written evidence received by relevant City and Agency staff before and during public hearings on the Project and appeal; and all matters of common knowledge and all official enactment of the City and Agency such as the General Plan and Oakland Municipal Code, other applicable City policies and regulations and all applicable state and federal laws, rules and regulations; and be it further

RESOLVED: That the custodians and locations of the documents or other materials which constitute the record of proceedings upon which the City's decision is based are respectively: (a) the Community & Economic Development Agency, Projects Division, 250 Frank H. Ogawa Plaza, 5th Floor, Oakland CA; (b) the Community & Economic Development Agency, 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.

IN COUNCIL, OAKLAND, CALIFORNIA, _____, 2006

PASSED BY THE FOLLOWING VOTE:

AYES- BROOKS , BRUNNER, CHANG, KERNIGHAN, NADEL, QUAN, REID AND PRESIDENT DE LA FUENTE,

NOES-

ABSENT-

ABSTENTION-

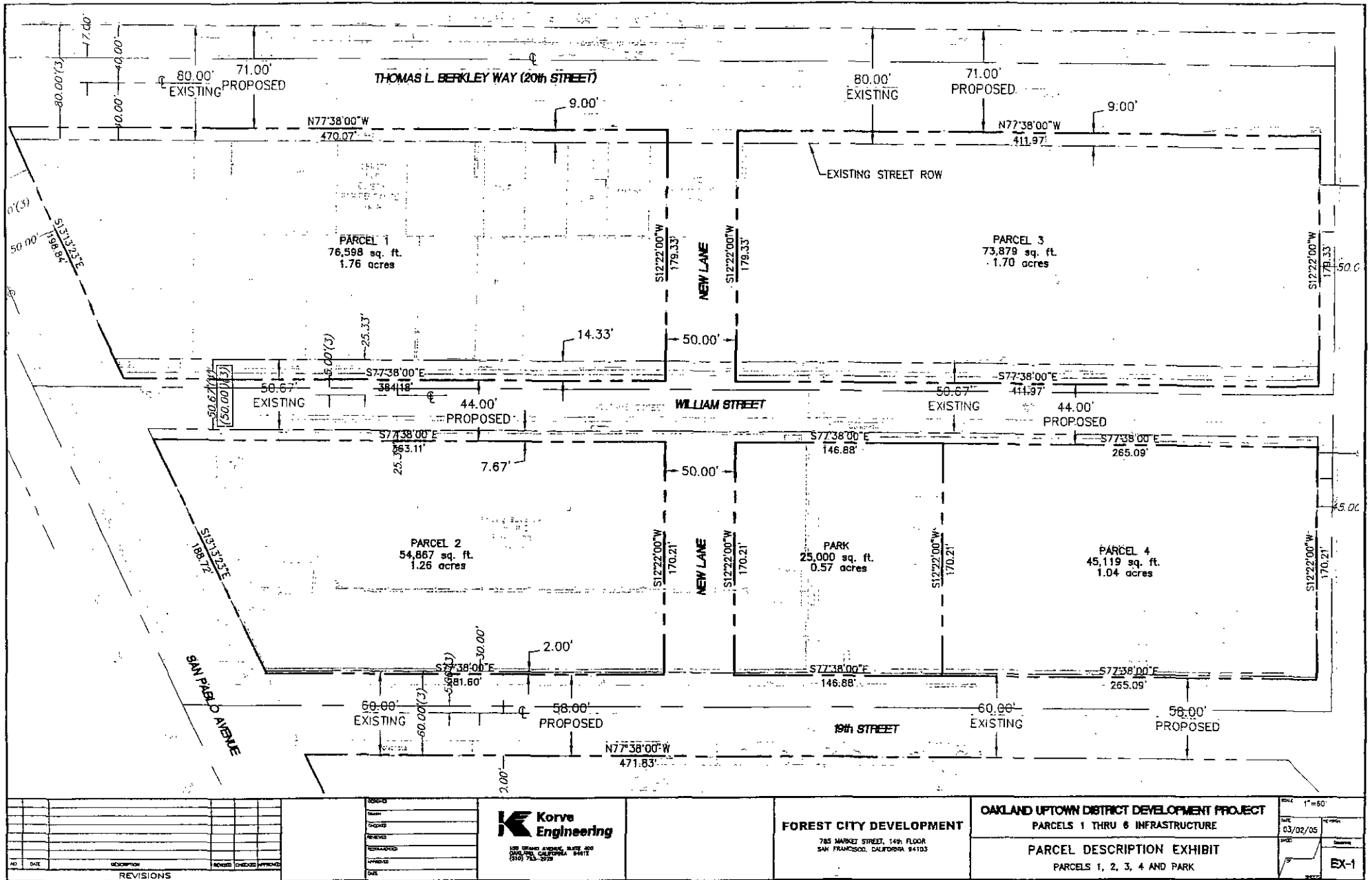
ATTEST: _____
LATONDA SIMMONS
City Clerk and Clerk of the Council
of the City of Oakland, California

EXHIBIT A-1

LEGAL DESCRIPTION OF THE PROPERTY

BEGINNING AT THE INTERSECTION OF THE WESTERLY LINE OF TELEGRAPH AVENUE WITH THE SOUTHERLY LINE OF WILLIAM STREET; THENCE SOUTHERLY ALONG SAID LINE OF TELEGRAPH AVENUE SOUTH 12 DEGREES 22 MINUTES WEST, 170.21 FEET TO THE NORTHERLY LINE OF 19TH STREET; THENCE WESTERLY ALONG SAID LINE OF 19TH STREET, NORTH 77 DEGRESS 38 MINUTES WEST, 265.09 FEET; THENCE NORTH 12° 22' EAST, 170.21 FEET TO THE SOUTHERLY LINE OF WILLIAMS STREET; TEHNCE EASTERLY ALONG SAID LINE OF WILLIAM STREET SOUTH 77 DEGREES 38 MINUTES EAST, 265.09 FEET TO THE POINT OF BEGINNING.

CONTAINING 1.04 ACRES MORE OR LESS



NO.	DATE	DESCRIPTION	DESIGN	CHECKED	APPROVED
REVISIONS					

DESIGN	
CHECKED	
APPROVED	
DATE	

Korva Engineering

100 GRAND AVENUE, SUITE 400
SAN FRANCISCO, CALIFORNIA 94102
(415) 763-3752

FOREST CITY DEVELOPMENT

785 MARKET STREET, 14th FLOOR
SAN FRANCISCO, CALIFORNIA 94103

OAKLAND UPTOWN DISTRICT DEVELOPMENT PROJECT
PARCELS 1 THRU 6 INFRASTRUCTURE

PARCEL DESCRIPTION EXHIBIT
PARCELS 1, 2, 3, 4 AND PARK

SCALE 1"=60'

DATE 03/02/05

EX-1