

**Response to Appeals of the Planning Commission  
Certification of the Final Environmental Impact  
Report for the Wood Street Project  
City of Oakland**

**Report on Response to Appeals**

**Attachments:**

- A-1 Letter from Dowling Associates, Inc. dated April 20, 2005**
- A-2 Letter from Alan R. Dreyfuss dated 3/28/05**
- A-3 Response to Patrick G. Lynch, P.E., Clearwater Revival Company prepared by Geomatrix**
- A-4 Memo from Dowling Associates, Inc. dated April 20, 2005**
- A-4 Exhibit to A-4, Memo from Dowling Associates, Inc. dated April 20, 2005**
- A-5 Response to Rajiv Bhatia, Paul English, Rick Kreutzer**
- A-6 Response to Jeremy Hays, Howard Greenwich, Dr. Rajiv Bhatia**



**Response to Appeals of the Planning Commission Certification of the  
Final Environmental Impact Report for the Wood Street Project  
City Council Public Hearing  
May 3, 2005**

**INTRODUCTION AND PURPOSE OF THIS REPORT**

**THE PROJECT**

The Wood Street Project calls for redevelopment of the 29 acres of underutilized, industrial land around the historic 16<sup>th</sup> Street Train Station into pedestrian-oriented, mixed-use, residential, live/work, and commercial area. The development would be accomplished in accordance with a proposed new Wood Street Zoning District, setting forth physical development standards, conditions and requirements. The Project Sponsors for this Project in West Oakland are BUILD West Oakland, LLC; Central Station Land, LLC; PCL Associates, LLC; and HFH Central Station Village, LLC. Each Project Sponsor owns portions of land within the 29.2-acre Project Area and each proposes to construct separate developments within the Project Area on individual time lines. Individual developments would be visually and functionally integrated through the application of proposed land uses, zoning standards, and design guidelines contained within the proposed Wood Street Zoning District. The new zoning district would replace the existing mix of light industrial and general industrial zoning districts. In addition, the proposed Project would require a change to the land use designation in the City of Oakland General Plan and the Oakland Army Base Redevelopment Area Plan from Business Mix to Urban Residential.

The Project Area has been divided into nine development areas proposing in aggregate over 1,000 residential units, retail and office space, rehabilitation of the interior and exterior of the historic 16<sup>th</sup> Street Train Station Main Hall and nearby 16<sup>th</sup> Street Signal Tower, and preservation of a portion of the elevated tracks. To encourage public access to the restored 16<sup>th</sup> Street Train Station, the Project also proposes to create an approximate 0.75-acre public plaza in front of the station. Other public and private open space is proposed as well.

**ENVIRONMENTAL REVIEW PROCESS FOR THE PROJECT**

A Draft Environmental Impact Report (EIR) was issued by the City of Oakland (City) on September 21, 2004, a primary purpose of which was to identify potentially significant and significant adverse impacts of the proposed Wood Street Project. The Commission held a public hearing on the Draft EIR on October 20, 2004, and written comments on the Draft EIR were accepted from September 20, 2004 to November 15, 2004. The City prepared responses to comments on environmental issues received at the public hearing and in writing during the public review period for the Draft EIR; and prepared revisions to the text of the Draft EIR in response to comments received based on additional information that became available during the public review period. This material, published in the Final EIR on February 7, 2005, was distributed to the Commission and to all parties who commented on the Draft EIR, and was available to others upon request at the City offices.

The Commission reviewed and considered the Final EIR, and certified that the Final EIR was in compliance with CEQA and CEQA Guidelines at its March 16, 2005 public hearing. Please refer to Exhibit A of the Planning Commission March 16, 2005 Staff Report.

## **APPEAL OF PLANNING COMMISSION DECISION TO CERTIFY THE FINAL EIR AND ADDITIONAL PUBLIC COMMENT AFTER RELEASE OF THE FINAL EIR**

Following the Planning Commission certification, appeals to the Planning Commission decision on the Wood Street Project Final EIR were filed by Margareta Lin of the East Bay Community Law Center, in conjunction with Wilson Sonsini Goodrich & Rosati and representing Just Cause Oakland and Coalition for West Oakland Revitalization, and by Arthur Levy, representing himself. This document responds to issues raised by the two appeal letters.

### **ORGANIZATION OF THIS REPORT**

This report is organized into three parts:

- Introduction – providing a historical overview of the CEQA process to date and the purpose of this report.
- Summary of Concerns and Responses – providing a summary of the key concerns raised by the appeals and the comment letters and staff's response.
- Attachment A: Detailed Responses to Comments – providing more comprehensive and complete responses to concerns that were not previously addressed in the Final EIR.

### **SUMMARY OF CONCERNS AND RESPONSES**

#### **OVERVIEW AND ORGANIZATION OF CONCERNS**

To provide the City Council with a comprehensive perspective on the nature and intent of the concerns raised by the appeals and the comment letters, City staff has reviewed each comment and has organized the responses by issue statement. For each issue, a summary statement of the concern is provided, followed by staff's response. These responses focus on whether the concerns are new, whether they have been previously addressed and where that reference can be found in the administrative record, and whether the Final EIR adequately addresses potentially significant impacts, mitigation measures, and alternatives. To provide the City Council with an appreciation of the number of organizations or individuals raising a particular concern, staff has indicated all entities that identified a particular concern.

#### **APPELLANTS' CONCERNS AND RESPONSES**

1. **Maximum Commercial Scenario:** *The East Bay Community Law Center appeal asserts that the Draft EIR assumed that warehouse and retail space would be developed in Development Area Two, where there is a proposed commercial land use designation. Under a commercial designation, the land would likely be developed at a higher intensity than warehouse and; therefore, the EIR underestimates traffic and air pollution impacts. (East Bay Community Law Center - Wilson Sonsini)*

**Response:** The City addressed this same point in response to public comments on the Draft EIR. The rationale for assuming warehousing in Development Area Two under the Maximum Commercial Scenario is presented in Response to Comment 24.3 of the Final

EIR. The EIR did not study the theoretical maximum of trips (which is quite unlikely given the broad mix of proposed uses); it studied the highest trip-generating uses from among the reasonable projections of land uses for each development area and then aggregated these trips to identify potentially significant Project impacts. For example, one likely development scenario, as allowed by the Wood Street Zoning District, could assume there would be substantial square footage devoted to day care uses concentrated in this one zoning district. The projections made under the various scenarios are reasonable and represent the range of development that is proposed under the land uses and densities in the Wood Street Zoning District.

At the City Council's discretion, the Wood Street Zoning District could be revised to limit commercial uses and intensities permitted in Development Area Two.

2. **Feasibility of Train Station Preservation:** *The Levy appeal asserts that the economic feasibility of preserving the train station has not been adequately addressed. In addition, the mitigation measures for the preservation alternative are not adequate. The feasibility of train station preservation is jeopardized because the Project proposes a parcel line that divides the train station, and because there appears to be no commitment of funding or any actual plans for preservation and rehabilitation. (Arthur Levy)*

**Response:** The City addressed the alternative of preserving the entire 16<sup>th</sup> Street Train Station complex in the Draft EIR under Section 5 – Preservation Alternative. In addition, in the Final EIR, under Master Response 4, more information and analysis of the feasibility of preserving the entire Train Station Complex was addressed. This analysis in the Final EIR was supported by an appraisal of property value under two development scenarios by Carneghi-Blum & Partners, Inc. and a preliminary construction improvement budget by BBI Construction. Further evaluation has been conducted by the Project Sponsor, subsequent to the Planning Commission hearing on March 16, 2005, that considers a range of reuse options for the Baggage Wing, the Main Hall, and the area under the Elevated Tracks/Platforms that might improve the financial performance of the Project. This information is contained in Attachment I to the staff report.

This issue regarding feasibility of preserving the Train Station (including the Main Hall and the Baggage Wing) will be moot if the City Council moves to support the Planning Commission action and requires the preservation of both the Main Hall and the Baggage Wing through the recommended Conditions of Approval No. 55 through 61. These conditions set forth requirements for interim stabilization and protection, a financing plan, management plan, community participation plan and business plan, development of schematic drawings and cost estimates. The Final EIR, in Master Response 4, includes additional mitigation measures intended to ensure the protection and ultimate reuse of the Main Hall and the Signal Tower. Mitigation Measure CR-2.3 requires the Project Sponsor to implement measures to protect the structures from further physical deterioration and vandalism and to continue implementing these measures until a decision regarding reuse of the Main Hall is reached. Similarly, Mitigation Measure CR-2.4 precludes the Project Sponsor from altering these structures until a development plan is adopted. Mitigation Measure CR-2.5 requires the preparation of a finance plan, a management plan, and a community participation plan, in addition to the above-mentioned development plan. These mitigation measures are consistent with and reflected in Conditions of Approval No. 55-61. At this point, the main method proposed

for financing the preservation work, and the acquisition of the Baggage Wing, is the tax increment generated by the project. Other sources of funding and options are included in the City Council Staff Report under Key Issues and Impacts.

The Planning Commission further recommended that Parcel 3 on Map 8554 be modified so that the Baggage Wing is not shown to be removed and instead is incorporated into Parcel 2 (so as to be part of the building footprint of the Main Hall.)

Conversely, if the City Council decides not to preserve both the Main Hall and the Baggage Wing, staff believes that prior to allowing demolition, further review and analysis of the information that has been submitted in support of infeasibility would need to be analyzed and possibly supplemented with more detailed information to confirm that there is no feasible way to preserve the entire Train Station Complex.

In addition, the Commission indicated that the demolition of that portion of the tracks across new 16<sup>th</sup> Street was warranted given the need for project access and for incorporating the historic surrounding urban grid street pattern into the project area. The Commission also indicated that the portion of the Elevated Tracks along the west face of the Main Hall should be studied further prior to demolition in order to possibly incorporate a larger portion into the rehabilitation plan.

A confirmation of the Commission's finding concerning the 16<sup>th</sup> Street portion of the Elevated Tracks and additional justification for partial demolition has been provided by Dowling Associates, the project traffic engineer. Dowling Associates performed a further evaluation of the internal circulation system under the assumption of keeping the Elevated Tracks as-is. Dowling's findings, included as Attachment A-1 to this report, indicate that the proposed demolition of the Elevated Tracks, while a significant and unavoidable adverse impact, provides emergency access to the Project Area from Wood Street and the Frontage Road; facilitates public access to the future rear entrance of the Main Hall; and provides access directly to the frontage road from future projects in Development Areas Six, Seven, and Eight in order to minimize traffic impacts on the surrounding neighborhood.

Dowling Associates further explains that the extension of 16<sup>th</sup> Street could not be rerouted around the elevated platform without causing on-site circulation problems. In order to address these problems, Dowling suggests, from a circulation perspective, to relocate the access road so that it cuts through the area planned for the Plaza. However, this realignment would result in new impacts. Doing so would eliminate or drastically reduce the area of the Plaza, inhibit public access to the Main Hall, reduce the amount and availability of publicly-accessible open space within the Project, interfere with the mitigation of enhancing the train station setting and providing a visual focus and view corridor to the Main Hall, render the Plaza less useable, and interfere with plans to make the Plaza suitable for gatherings and outdoor events.

For these reasons, staff supports the Planning Commission recommendation to demolish a portion of the Elevated Tracks across new 16<sup>th</sup> Street, and allow partial demolition of the portion across the west face of the Main Hall after design studies have been submitted and reviewed and approved as part of project review. For options concerning the

preservation, restoration and financing of the Train Station Complex, please refer to the Staff Report Key Issues Section.

3. **Retention of National Register and Historic Tax Credit Eligibility:** *The Levy appeal asserts that the proposed subdivision and lot lines sever the structure and assume the demolition of the Baggage Wing and portions of the Elevated Tracks and that this demolition would jeopardize the building's eligibility for inclusion in the National Register and for federal tax credits available to historic properties. (Arthur Levy; National Trust for Historic Preservation; Cynthia L. Shartzter; Lakeside Apartment Neighborhood Association; 16<sup>th</sup> and Wood Train Station Coalition, Oakland Heritage Alliance; Chinese Historical Society of America)*

**Response:** The Planning Commission's recommended action includes the requirement to revise VTSM 8554 so that the area of the Baggage Wing, now within Parcel 3, is incorporated into Parcel 2 so that the entire Train Station Complex is included in one lot. As noted in response to Appeal Issue No. 2, Conditions of Approval and Mitigation Measures have been incorporated into the project to preserve the historic resources through a variety of means, measurable progress and performance dates. The remaining question before the City Council is not the requirements or framework that have been set forth for preservation, but rather who will and when will such work be financed.

Conversely, the Project Sponsors have submitted information and analysis that they believe demonstrates the full preservation of the Main Hall, Elevated Tracks and Baggage Wing is not feasible. At this time, staff supports the Planning Commission action of demolishing a portion of the Elevated Tracks, as set forth in Appeal Issue No. 2, but more assessment of financial and other information would be required prior to a final determination of infeasibility of retaining the Baggage Wing.

Staff notes that the portion of the Elevated Tracks proposed to be preserved under the Project Description contains the passenger concourse, which includes the ornamental metal canopies and the marble concourse stairs. Preserving a passenger portion of the elevated tracks would retain the historic setting of the station, and would serve as a logical connection and/or buffer to any new construction to the west (see letter from Alan Dreyfuss included as Attachment A-2 to this report).

The critical question about whether these alterations would jeopardize the structure's eligibility for inclusion in the National Register is an important issue. Mitigation Measure CR-2.5 and Conditions of Approval 55 -61 requires a development plan, a finance plan, a community participation plan, and a management plan, all of which would help retain the building's eligibility for the National Register. However, the following factors indicate that the Train Station Complex would retain eligibility notwithstanding removal of the Baggage Wing:

- The building would still satisfy the criteria for eligibility in that it would still presumably possess integrity of location, design, setting, materials, workmanship, feeling, and association and would not lose any of the historic associations that made the building eligible in the first place.

- The vast majority of the structure, much of the adjoining platform, and the entire Signal Tower would remain intact.
- The removal of the Baggage Wing and portions of the Elevated Track would not physically alter the location, design, materials, workmanship, and feeling of the portions of the train station that remain.
- A commitment exists in Mitigation Measure CR-2.6, Facilitate Rehabilitation and Reuse of Main Hall, Platform, and Signal Tower, to restore the structures in compliance with the Secretary of Interior's Standards for Treatment of Historic Properties with Guidelines for Preserving, Rehabilitating, Restoring, and Reconstructing Historic Buildings.

There are examples in Oakland, and numerous examples throughout the country, where historic structures that are partially altered are still eligible for tax benefits (e.g., Swan's Market in Oakland).

4. **Mitigation of Infrastructure Impacts:** *The East Bay Community Law Center appeal asserts that the EIR incorrectly evaluated cumulative public service impacts and also fails to mitigate the significant cumulative impacts on these services. (East Bay Community Law Center - Wilson Sonsini)*

**Response:** The Wood Street Final EIR correctly analyzed cumulative impacts, consistent with current case law. The analysis takes a three-step approach: (1) does the proposed Project trigger any demand for public services that could cumulate with other foreseeable projects? (2) if so, would the combined effects of the proposed Project plus those of the other foreseeable projects result in a significant cumulative impact? (3) if so, would the proposed Project's contribution to the cumulative impact be considered cumulatively considerable? If the answer to any of these "threshold" questions is no, then there is no significant cumulative impact. This approach has been applied to the cumulative analysis of public service impacts. The concern appears to be with step #3, which acknowledges that a significant cumulative impact can be declared less than significant if it can be demonstrated that the Project's contribution is less than cumulatively considerable. The methodology used in the EIR reflects the State CEQA Guidelines, Section 15130(a)(3). Further details regarding specific public services and utilities can be found in the Final EIR in responses to Comment Letter #24, where the commentator raised the same issue (see specifically Responses 24.52 through 24.64). Lastly, given the generalized nature of the assertion, it is difficult to address this appeal issue at any further level of detail.

5. **Hazardous Materials and Contamination.** *The East Bay Community Law Center appeal asserts that the mitigation measures proposed in the EIR are inadequate to reduce the impact of existing soil and groundwater contamination to a level of insignificance. In particular, the measures do not appear to address all of the chemicals of concern identified at the site, do not acknowledge the direction of groundwater flow, do not recognize that the groundwater is shallower than reported in the EIR, do not demonstrate how the soil remediation levels will be achieved, and appear to be piecemeal. (East Bay Community Law Center - Clearwater Revival Company)*



**Response:** While the concern raised regarding existing contamination resulting in public health risks to future residents may be valid, they are not impacts of the Project under CEQA. Rather, this is an issue of how the environment will affect the Project, not what changes the Project will have on the environment. Nevertheless, the regulatory agencies still need to approve future uses in areas of known environmental contamination. Accordingly, the Project Sponsors retained Geomatrix Consultants, Inc. to obtain approval for remediation levels that would allow unrestricted land uses in the Project Area. Based on soil sample analytical data collected during multiple Phase II hazardous materials investigations conducted for individual property owners comprising the Project Area, chemicals of concern were identified and Geomatrix Consultants proposed cleanup levels. These levels are based on the Regional Water Quality Control Board's (RWQCB) Environmental Screening Levels, which consider nuisance criteria, direct contact, and volatilization. Chemicals of concern identified by the appellant were detected rarely or at low concentrations and would not be present in sufficient concentrations to require cleanup by the RWQCB.

The voluminous background materials on groundwater generated over the years and attached in support of the commentor's concern reveal few groundwater issues. Notably, those issues that have been identified will be addressed as part of the site-specific remediation plans that must be prepared, as described in Response 7.1 of the Final EIR. The site remediation plans must be approved by the RWQCB before commencement of work (see RWQCB letter of May 21, 2004, approving proposed remediation cleanup levels; attached to the Draft EIR as Appendix E).

The concerns raised by the appellant do not result in a change to impact conclusions or to the mitigation measures identified in the Final EIR. Detailed responses to each of the concerns identified can be found in Attachment A-3 to this report.

6. **Transportation Assumptions and Analyses.** *The East Bay Community Law Center appeal asserts that EIR transportation analysis uses incorrect transportation, circulation, and parking assumptions and methodologies, and, consequently, the mitigation measures are inadequate to resolve transportation impacts. (East Bay Community Law Center - Tom Brohard and Associates)*

**Response:** The assumptions and methodologies used in evaluating the proposed Wood Street Project are documented in the EIR and particularly in Appendix B of the Draft EIR. The format and approach to the analysis are accurate, prepared using specific baseline data and other professionally accepted information and consistent with other transportation impact analyses prepared for the City of Oakland.

Trip generation rates, including pass-by rates for retail land uses, are based on professionally accepted standards and consultations with other agencies, such as Caltrans and SANDAG, did not suggest that the rates needed to be adjusted. Nevertheless, a sensitivity analysis was performed to consider a more conservative assumption (a 15 percent pass-by reduction) and the results did not change the findings of the EIR. The assignment of trips, which allows the derivation of intersection levels of service, was performed using the TRAFFIX software package, which was specifically designed for this purpose. Comments regarding the need for additional analysis or the need to correct erroneous analysis are unfounded, and cannot be practically addressed any further given

the generalized nature of the assertions and lack of specific examples. For instance, the appellant asserts that in some instances, impacts have not been disclosed at all. There is little if any meaning to this statement if no specific instances or impacts are identified. The concerns raised by the commentor do not result in a change to impact conclusions or to the mitigation measures identified in the Final EIR. Detailed responses to each of the concerns identified can be found in Attachment A-4 to this report.

7. **Air Quality and Public Health.** *The East Bay Community Law Center appeal asserts that the EIR does not adequately address air quality issues, and air quality modeling and analysis used to reach conclusions in the EIR are not available. Impacts from Project construction, particularly emissions from diesel construction equipment, are not quantified. The Project site is within 100 to 300 feet of Interstate 880 and current research shows that residents this close to freeways are exposed to unhealthy levels of diesel exhaust. The Project would create a significant impact on public health. Mitigation measures exist to reduce the health risks during construction and long term, but they are not proposed. (East Bay Community Law Center - Dr. Rajiv Bhatia, Dr. Paul English, Dr. Rick Kreutzer; and SBF Consulting)*

**Response:** The City addressed these and other air quality concerns in the Final EIR. Master Response 3 in the Final EIR contains an explanation of construction emissions and why the Bay Area Air Quality Management District (BAAQMD) typically does not require a quantitative analysis. Nonetheless, the Final EIR presents a supplementary analysis of small particulate matter and shows that construction PM<sub>10</sub> during site grading would be reduced to about 10 pounds per day, which is well below the construction threshold of significance for PM<sub>10</sub> in the Bay Area for operational impacts (80 pounds per day) and in other air districts with even higher background PM<sub>10</sub> non-attainment levels. Because construction emissions would result in less-than-significant air quality impacts, mitigation measures other than the standard measures recommended by the BAAQMD are not necessary, as explained in the Final EIR.

The appellants have stated that the air quality operational emissions and carbon monoxide concentrations could not be verified because the model output was unavailable. The files for URBEMIS 2002 for regional emissions and for a simplified CALINE for localized carbon monoxide concentrations have been provided to the City and are available for review with the Community and Economic Development Agency.

According to the air quality analysis included in the Draft EIR and the Final EIR, no significant operational air quality impacts would result from the Project. Therefore, mitigation measures, such as buffers or building design, are not required for Project operation. It should be noted that a 500-foot setback, as suggested by the commentors, would eliminate the entire width of the Project Area between 14<sup>th</sup> and 20<sup>th</sup> Streets, thereby precluding residential development in Development Areas One, Two, Six, and Seven. A chart provided by one of the commentors demonstrates that the difference between a 300-foot setback and a 150-foot setback is about a 10 percent reduction in emissions, while a 500-foot setback would reduce emissions by an additional 5 percent. However, since the Project itself would not be considered a potential source of Toxic Air Contaminants, and particulate emission levels in the Project Area vicinity from diesel emissions are comparable to other locations in the Bay Area (based on evidence

presented in the Draft EIR), there would not be a noticeably greater health risk to locating new residents here than other locations in Oakland.

The concerns raised by the commentors do not result in a change to impact conclusions or the mitigation measures identified in the Final EIR. Responses to the new concerns identified can be found in Attachment A-5 to this report.

- 8. Impacts and Mitigation Associated with Gentrification and Indirect Displacement.** *The East Bay Community Law Center appeal asserts that the City failed to study the details of displacement resulting from the Project as well as mitigate for the displacement impacts. In addition, the City failed to honor its commitment to conduct a community impact report. (East Bay Community Law Center - Jeremy Hayes, Howard Greenwich, and Dr. Rajiv Bhatia)*

**Response:** The City addressed the substance of these comments in the Final EIR. Master Response 5 in the Final EIR, beginning on page 3-51, indicates that no causation between the Project's socioeconomic effects and physical impacts has been demonstrated by the materials provided by the commentors. Notably, while the studies cited indicate that lower income residents typically suffer poorer health than wealthier residents, that living in a segregated neighborhood can lead to health problems, and that continuing urban decay is associated with rising crime levels, the studies do not indicate that the Project would cause reductions in the economic status of any persons, let alone cause persons currently living in West Oakland to move out of West Oakland and to suffer homelessness or crowding.

The focus of the EIR is on physical environmental impacts and therefore, by itself, does not provide the broad perspective needed by the City or the community to make an informed decision. In order to provide this broader context, City staff directed the preparation of *The Proposed Wood Street Project: Policy and Planning Framework* (the Mundie Report). As explained in Chapter 1 of the report, the purpose of this Framework Paper is to assist the City of Oakland in making an objective, informed decision regarding whether the City shall depart from the existing General Plan designation for non-residential use of the site in favor of an alternative plan emphasizing residential development. In answering this question, policy and socioeconomic impacts to the West Oakland community were presented, as well as potential benefits to the community and the City as a whole. The Mundie Report did not establish any physical impacts associated with the economic concerns raised by the commentor; in fact it notes that, "Gentrification is not a CEQA issue" (page 41). As such, the conclusions from the report do not change or shape the findings of the EIR, but, like the EIR, help to inform the City decision makers about the merits of the proposed Wood Street Project.

The concerns raised by the commentors do not result in a change to impact conclusions or the mitigation measures identified in the Final EIR. New citations included in the commentors' letters have been reviewed and are summarized in Attachment A-6 to this report.

- 9. CEQA Review Process.** *The Levy appeal asserts that the CEQA Findings and Statement of Overriding Considerations adopted by the Planning Commission are not legally supported under CEQA by the evidence on the record. The tentative parcel maps are not*

*legally supported under CEQA because they draw lot lines to justify and facilitate demolition of parts of the train station.*

**Response:** The documentation presented to the Planning Commission in the Findings and Statement of Overriding Considerations complies with Sections 15091 and 15093 of the State CEQA Guidelines, respectively. The findings were supported by substantial evidence contained in the record. Findings with respect to “infeasibility” of mitigation measures or alternatives take into account specific economic, legal, social, technological, or other considerations, and those presented to the Planning Commission did acknowledge these considerations. In addition, these findings may be refined and revised depending on the final actions of the City Council. In particular, the findings pertaining to the preservation of the Baggage Wing and other historic resources may be modified.

The tentative parcel maps and the proposed lot lines are part of the proposed Project and have been evaluated for their physical environmental impacts. The lot lines by themselves would not result in CEQA impacts. However, the proposed demolition of the Baggage Wing and portions of the Elevated Tracks is acknowledged in the EIR to be a significant and unavoidable impact. However, the Planning Commission’s final recommendations would offset or reduce this impact by preserving the Baggage Wing and strengthening the performance standards, requirements and timing of the required mitigation measures.

10. **The City’s appeal procedures are illegal if they do not allow compliance with CEQA.** *Arthur Levy asserts that the City’s appeal procedures may not limit the scope of the City Council’s CEQA compliance; limit the appellant’s right to a full, de novo determination of the City’s CEQA compliance; and/or otherwise violate CEQA.*

**Response:** My Levy is correct. The City’s appeal procedures must be consistent with and allow full compliance with CEQA. The City’s appeal procedures do not limit the scope of the City Council’s CEQA compliance. The City Council will conduct a public hearing and make a *de novo* determination on the adequacy of the environmental impact report. There is nothing in the City’s appeal procedures that will interfere in any way with full compliance with CEQA.



April 20, 2005

ATTACHMENT A-1

Mr. Rod Jueng  
EIP Associates  
353 Sacramento Street, Suite 1000  
San Francisco, CA 94111

**Subject: Wood Street Project - 16<sup>th</sup> Street Access to Frontage Road**

Dear Mr. Jueng:

We are concerned with one of the design elements of the Wood Street Project. The concern is that the internal roadway intersecting 16<sup>th</sup> Street from the north may be located too close to the intersection of 16<sup>th</sup> Street and the I-880 frontage road. The close proximity of these two intersections may create traffic operational problems for the 16<sup>th</sup> Street/frontage road intersection. The concern is that westbound traffic on 16<sup>th</sup> Street may queue at the frontage road intersection and block the access of motorists heading eastbound on 16<sup>th</sup> Street who want to turn left to access the north internal roadway. If the westbound traffic on 16<sup>th</sup> Street blocks the eastbound left-turning traffic, a queue may develop that could extend to the frontage road and impede traffic from entering 16<sup>th</sup> Street.

To address this concern, our recommendation is to move the internal road (where it intersects with 16<sup>th</sup> Street) further east – away from the frontage road. The preferred location would be directly across 16<sup>th</sup> Street from the internal road serving Development Area Four.

A second point of concern relates to a recent proposal to retain the existing rail platform and route 16<sup>th</sup> Street to the south around the platform. Our recommendation would be that if 16<sup>th</sup> Street is routed south of the rail platform that an additional change to the internal roadway system should be made. Specifically, we recommend relocating the internal roadway intersecting 16<sup>th</sup> Street from the north to the east side of the railroad station across the plaza. This relocation would place the intersection of 16<sup>th</sup> street and the north internal road a greater distance from the frontage road and could improve traffic operations.

In a letter dated March 14, 2005, to Chairperson Mark McClure and Members of the Oakland Planning Commission, Mr. Arthur D. Levy suggests that the 16<sup>th</sup> Street access to the Wood Street project is not necessary and that access to the Project Area from Wood Street and the frontage road “could be provided at another location, 18<sup>th</sup> Street or otherwise at the rear of the development.” Access to Wood Street would be provided at 18<sup>th</sup> Street, 16<sup>th</sup> Street and other locations, and access between the frontage road and the north portion of the Project Area would also be important. In light of the traffic issues discussed above, it is difficult to see how an access to the north portion of the site from the frontage road would be feasible without removal of at least some portion of the rail platform or relocating the internal north roadway east of the railroad station.

Mr. Jeung  
April 20, 2005  
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Please contact me at 510-839-1742 x117 if you have any questions.

Sincerely,

**Dowling Associates, Inc.**

*[Sent via email]*

Mark Bowman, P.E.  
Principal

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ALAN R. DREYFUSS  
ARCHITECTS

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## ATTACHMENT A-2

3/28/05

Robert Stevenson  
BUILD LLC  
345 Spear Street, Suite 700  
San Francisco, CA 94105

Dear Robert,

When we spoke on Friday, you requested that I give you my opinion of the proposed Oakland Wood Street project and its overall historic benefit. The intent of the project, as it relates to the 16th Street Train Station, is to preserve the Main Waiting Room and the two symmetrical wings to the north and south for a new public use. The overall project includes measures that will preserve the option of rehabilitating the Main Waiting Room and wings if funding becomes available, create a new public plaza between Wood Street and the main entrance, preserve a portion of the elevated concourse, and will allow the demolition of the Baggage Wing if the Redevelopment Agency does not purchase the site.

The preservation, and opportunity for rehabilitation of the main hall of the train station as a public venue would be of significant historic value to the neighborhood of West Oakland, and to Oakland and the surrounding region. The 16th Street Station is an important element in the story of Oakland's role as a regional transportation hub, and would serve as an ideal venue for the display of artifacts and historic information relating to that period in Oakland's history. The addition of a landscaped plaza that recreates or recalls the original key system transportation links would both preserve the 16th Street Station's high visibility and enhance it's historic context.

Rehabilitation of only the portion of the elevated tracks that is immediately adjacent to the Station seems to be a reasonable approach from a historic standpoint. This portion of the elevated tracks contains the passenger concourse, which includes the ornamental metal canopies and the marble concourse stairs. Retention of the entire length of the elevated tracks would saddle the project with the expensive rehabilitation and maintenance of a huge steel structure that would not have an apparent new use. Currently the project anticipates retaining only the half of the double passenger concourse adjacent to the Main Hall. Preserving this portion of the passenger concourse would retain the historic setting of the Station relating to intermodal transportation, and would serve as a logical connection and/or buffer to any new construction to the west.

The Baggage Wing was constructed at the same time as the rest of the Station, and is integral to its historic use. However, the Main Hall and its symmetrical wings are architecturally the most significant portion of the structure, and the design of the baggage wing was never completely integrated into the grand architectural vision for the Station. While demolition of the baggage wing would have a significant adverse impact on the historic nature of the Station, the proposed project proposes to preserve the most architecturally important portions of the station, and still provides important historic value to the community.

The preservation and opportunity for rehabilitation of the Main Waiting Room, symmetrical wings, and passenger concourse for public use, along with the creation of a new public plaza, provide significant historic value to the City of Oakland and the surrounding community, and is a positive alternative to the 16th Street Station's continued deterioration and neglect.

You also asked me to review the historic resources inventory form for the 16th Street S.P. Station Commercial A.S.I., and address the Dc/C survey rating given to Bee's Hotel (the Golden Eagle Hotel). I have reviewed the form and visited the building site. The building appears essentially as described in the form, and I can find no reason to question the rating given.

A handwritten signature in black ink, appearing to read 'A. Dreyfuss', written in a cursive style.

Alan R. Dreyfuss, AIA

Sincerely,



## ATTACHMENT A-3

### Response to Patrick G. Lynch, P.E., Clearwater Revival Company

1. **The presence of chlorinated volatile organics beneath residential buildings may require cleanup of groundwater below Maximum Contaminant Levels to address potential risks from vapor intrusion. The dechlorination of PCE to TCE, TCE to DCE, and DCE to vinyl chloride results in changes in toxicity and volatility that must be considered in developing cleanup levels for residential land use. Cleanup levels should also consider the EPA's recent evaluation of TCE health risks, which will increase the requirements of a risk-based cleanup, by reducing the concentration of TCE that can remain in on-site soil and groundwater.**

**Response:** Maximum Contaminant Levels (MCLs) are not related to vapor intrusion and are meant to be applied only as a drinking water standard. As stated in the Draft EIR (p. 3.8-14), groundwater beneath the Project Area is not a drinking water source and thus the reference to MCLs is not appropriate. The detections of chlorinated volatile organics in groundwater are isolated and not widespread (e.g., PCE in groundwater). Chlorinated solvents were only detected in 2 of the 49 samples analyzed. The absence of these constituents in groundwater confirms that potential sources (i.e., impacted soil) are not present at the site. TCE has not been detected in soils at the Project Area; therefore, a remediation standard was not established for this chemical.

2. **Grab groundwater samples collected from the freeway right-of-way showed widespread cumene (isopropylbenzene) contamination. The extent was never investigated. Cumene has the odor of gasoline and an odor threshold of 0.88 parts-per-million. This groundwater contamination could cause indoor air nuisance issues.**

**Response:** Cumene was only detected in 1 of the 42 grab groundwater samples collected from the Project Area and analyzed for VOCs between 1989 and 2004. The concentration of cumene in this sample was 0.011 parts per million which is below the threshold cited.

3. **Groundwater appears to be at a shallower depth, three feet, rather than five feet described in the EIR. The spill report indicates the potential for separate phase hydrocarbons on the shallow groundwater surface. The mitigation measures do not address the potential for separate phase hydrocarbons on the shallow groundwater surface. The decomposition of a large mass of petroleum can also result in unsafe levels of methane gas in the subsurface and create the potential for explosion hazards in buildings.**

**Response:** A difference of 2 feet in the water level does not have an effect on the mitigation measures discussed in the EIR. Mitigation measures for separate phase petroleum hydrocarbons on the groundwater surface, including evaluation and mitigation of methane, if necessary, will be addressed in the parcel-specific remediation plans. Proper precautions that must be taken with respect to separate phase petroleum hydrocarbons during remediation and construction activities will be specified in the Health and Safety Plan (described in the EIR as mitigation measure HM-2.1) and the Site Management Plan. Methane gas levels will be

evaluated prior to construction activities. As discussed in the Final EIR, in response to comments from the California Department of Toxic Substances Control (see Response 7.1 on p. 4-20), a Remedial Action Plan will be submitted to the Regional Water Quality Control Board (RWQCB). This plan will detail how the approved Remediation Levels will be achieved, signifying satisfactory remediation at the Project Area. The Remediation Plans will be submitted to the RWQCB for approval prior to any disturbance of surface and subsurface soil during site grading, excavation, or construction of building foundations, utility trenches, and roadwork activities in the Project Area.

- 4. Knowledge of the groundwater flow direction throughout the Project site is necessary to manage the potential health risks from groundwater contamination on and adjacent to the Project site.**

**Response:** Groundwater samples were collected by various parties between 1989 and 2004 from 87 locations across the Project Area and analyzed for various constituents. Groundwater analytical results do not indicate that chemicals are migrating onto or across the Project Area from any direction. As stated above, the few groundwater issues that have been identified will be addressed in the parcel-specific remediation plans that will be reviewed and approved by the RWQCB.

- 5. PCE, which is denser than water, has likely sunk through groundwater to significant depths. Diesel and gasoline, which are less dense than groundwater, will only sink to the groundwater surface, however, historically the groundwater surface could have been at depths 50 feet below the current groundwater surface. If the soil column is impacted to a considerable depth below the current groundwater surface, the decomposition products created by a large contaminant mass may result in an increase in the vapor intrusion hazard.**

**Response:** No evidence was found during the Phase I/Phase II investigations of chemical usage in large enough quantities (i.e., a bulk fuel facility or pipeline) to produce a "large contaminant mass" in the subsurface, if released. The presence of a shallow groundwater layer inhibits the migration of vapors. Therefore, if volatile organics or petroleum is present at significant depths, which is unlikely, volatilization through the water column would be minimal. The shallow groundwater beneath the Project Area, which could provide a source to vapor, has been adequately characterized. As stated above, the few groundwater issues that have been identified will be addressed in the parcel-specific remediation plans that will be reviewed and approved by the RWQCB prior to any disturbance of surface and subsurface soils in the Project Area.

- 6. Soil remediation levels should have been proposed for the chlorinated solvents found in groundwater, as well as dioxins and furans. Dioxin and furan sampling should have been conducted after a soil sample reported 38 mg/kg of polychlorinated biphenyl in a confirmation sample collected during removal of a waste oil tank from 1399 Pine Street. Dioxin and furan sampling is also appropriate because the site is located adjacent to an historic source of dioxin and furan emissions. A secondary aluminum smelter operated until recently at 1820 10<sup>th</sup> Street.**

**Response:** Soil remediation levels were established by Geomatrix and approved by the RWQCB for all of the chemicals that were identified in soil samples from the Project Area. The chlorinated solvents detected in groundwater were not detected in soils at the Project Area; therefore, soil remediation levels were not established. PCBs were detected in a sample collected from a depth of 8 feet below ground surface (bgs) in 1989 during UST removal activities. During additional excavation in this area, no PCBs were detected in the vicinity of the original detection. During site characterization activities, PCBs were only detected in 4 of the 54 soil samples analyzed at low concentrations. Dioxins and furans were not evaluated during the Phase II environmental site assessments for several reasons: no specific on-site sources of dioxins or furans were identified during the Phase I assessments; the smelting operations were located a block from, and not adjacent to, the Project Area; the prevailing wind direction is towards the south or southeast and not toward the Project Area; and, smelting operations ended in the early to mid 1960s after which land use changes and operations in the area likely resulted in disturbance or removal of surface soils. Dioxins and furans can be generated through combustion and result from many sources. Dioxins and furans, when present, are typically a regional issue.

**7. The naphthalene remediation level is outdated.**

**Response:** The naphthalene remediation level will be updated to 0.46 mg/kg, per the February 2005 updates to the RWQCB's Environmental Screening Levels. This update will be reflected in the Remediation Plans to be submitted to the RWQCB by the Project Sponsors. The change in standards does not affect the conclusions or mitigation measures presented in the Final EIR.

**8. The Project's soil cleanup goals were not adjusted to reflect the 29-acre area of contamination. In addition, soil conditioning and other soil handling needed to provide adequate foundation will result in high fugitive dust emissions beyond what were considered by the EPA Region IX in developing Preliminary Remediation Goals.**

**Response:** The proposed soil cleanup goals based on direct exposures assume that potential exposures from incidental ingestion, dermal contact, and inhalation of particulates and/or volatiles occur simultaneously. One of the terms (particulate emission factor; PEF) used to derive the contribution from the inhalation pathway is based on the approximate source area of residual soil impacts, which is 0.5 acre. Although the Project Area is approximately 29 acres, the analytical data collected from the Project Area by various parties between 1989 and 2004 do not support a conclusion that soil from all 29-acres is chemically-affected. Even if it is conservatively assumed that all 29-acres of the Project Area were affected, the proposed cleanup goals will not be significantly different than those reported in the EIR because the contributions from particulates via inhalation exposures in ambient air for most constituents are far less than the contributions from incidental ingestion and dermal contact.

In applying the Project-specific remediation standards that are based on the RWQCB Environmental Screening Levels, the site size is irrelevant because the data are being evaluated on a point-by-point basis. Additionally, the remediation standards are applicable to post-development conditions and do not apply to the site during construction. During

construction, exposure will be managed using dust-control measures which will be specified in the Site Management Plan and Health and Safety Plan (mitigation measure HM-2.1 in the EIR).

9. **The methodology to be used to demonstrate compliance with soil remediation levels has not been provided in the EIR. Also, it is not clear to what depth the subsurface soil cleanup levels would apply.**

**Response:** A confirmation sampling program for any soil removal activities will be specified in the Remedial Action Plan which will require approval by the RWQCB (as explained in the Response 7.1 of the Final EIR). Subsurface soil cleanup levels will be applied to a maximum depth of 10 feet bgs or to the groundwater table, if the groundwater table is shallower than 10 feet bgs. A depth of 10 feet represents the likely maximum depth of disturbance during redevelopment activities (i.e., construction) and is therefore the maximum depth of soil to which future populations could be directly exposed.

10. **Given the length of operations the potential that groundwater contamination originating at this site may have migrated beyond the Project boundaries should be investigated. Secondly, performing a piece-meal cleanup of contamination development area by development area creates the potential that contamination on one development area could introduce contamination to a development area where construction is complete.**

**Response:** Groundwater samples were collected at 86 locations across the Project Area by various parties between 1989 and 2004. The results from this sampling indicate that the presence of constituents in groundwater is discrete and not widespread. As stated above, groundwater impacts will be addressed in the parcel-specific remediation plans that will be reviewed and approved by the RWQCB. Dust control measures will be implemented during construction activities to prevent contamination from one area from entering surrounding areas.



ATTACHMENT A-4

**Date:** April 20, 2005

# Memorandum

**To:** Mr. Rod Jeung, EIP Associates

**From:** Mark Bowman, P.E.

**Subject:** Wood Street Project

P04000

Responses to March 23, 2005, Letter from Tom Brohard

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The following comments are provided in response to the comments provided by Mr. Tom Brohard in his letter to Ms. Margaretta Lin dated March 23, 2005. We have only addressed specific technical questions relating to the Transportation, Circulation, and Parking section of the Draft EIR. Non-specific allegations regarding the adequacy of the assessment of transportation impacts have not been addressed except to say that the intent of the traffic study was to fully disclose all transportation impacts of the Proposed Project as required by CEQA.

Specific technical comments are referenced by the number of the comment in the letter from Tom Brohard, with references to the page number. Our response follows the reference.

**1) Appendix B, Transportation, to the Draft EIR is Incomplete (page 3).**

**Response:** All supplemental technical information for the transportation analysis is available at the City of Oakland Planning Department. The format for the transportation section of the Draft EIR is consistent with the presentation of similar studies in the City of Oakland. The City of Oakland's significance criteria were used for the evaluation of transportation impacts. Caltrans facilities were treated in a similar fashion as all other roadways on the Bay Area's Metropolitan Transportation System as is customary for Bay Area studies. The comment letter from the Caltrans District 4 Branch Chief IGR/CEQA did not identify any shortcomings in the transportation studies in the Draft EIR nor did it express any difficulty in following the presentation of the information in the Draft EIR.

**2) Traffic Analysis Scenarios are Inconsistent with the Project Description (page 4).**

The Maximum Residential, Maximum Commercial and Maximum Trips Scenarios identified in the Draft EIR were studied as representative prototypes of the type of land use patterns that can be reasonably projected to result from the Wood Street Zoning District. Projecting reasonable scenarios of the type of development that can be expected is an accepted methodology for studying the traffic impacts of a project that encompasses a broad

**Responses to March 23, 2005, Letter from Tom Brohard**

April 20, 2005

range of many different types of potential land uses, as does the Wood Street Zoning District.

The traffic analysis in the EIR does not study the theoretical maximum number of trips, because doing so would be unreasonable. For example, one of the permitted uses in the Wood Street Zoning District is day care centers. If the maximum allowable number of day care centers were constructed under the Zoning District, they would comprise almost 1 million square feet, and generate over 75,000 daily trips and over 25,000 peak hour trips would be generated, a tremendous traffic impact. The Draft EIR did not analyze this scenario because information regarding the impacts of 1 million square feet of child care centers would not provide any useful information to decision makers or the public. Similarly, the EIR projected that a fair amount of the commercial space in the Wood Street Zoning District could be developed into retail uses, but it did not project or study an unrealistic projection that every available square foot of commercial space would be developed into retail space in this neighborhood.

**3) Maximum Commercial Scenario Generates More Trips Than Analyzed (page 5).**

**Response:** This comment was raised during the public review period on the Draft EIR. The explanation for the Maximum Commercial Scenario land use assumptions and associated trip generation is provided in Response 24.3. Please also refer to Concern #1 discussed in the main portion of this Response to Appeals Report. See response to Comment 2) above.

**4) Live/Work Trip Generation Rates Are Not Properly Documented (page 6).**

**Response:** All of the information to support the trip generation rates for live/work units is provided in Appendix B. Full disclosure was provided that three sites were surveyed and the total number of trips for each mode of travel is clearly shown. The sites surveyed were identified because of their similarity to the type of live/work units that would be provided in the Wood Street project. Similar market forces that resulted in the development of the sites surveyed are expected to be served by the Wood Street project.

**5) Errors in Pass-by Reduction Calculations for Commercial Trips**

**a) Pass-by Applies to PM Peak Hour Only (page 6)**

**Response:** The commentator refers to the San Diego Association of Governments to support his conclusion that pass-by trips only occur during the p.m. peak hour. To investigate this claim, we contacted Mike Calandra, SANDAG Senior Research Analyst, on April 1, 2005. Mr. Calandra told us SANDAG provides "suggested" trip rate reductions only because studies of pass-by trips "were only conducted during the PM peak period."

Similarly, the source for the pass-by trip reduction applied in the Draft EIR, the *Trip Generation Handbook, 2<sup>nd</sup> Edition* (Institute of Transportation Engineers 2004) states on page 34, paragraph 1 that data were provided for "land uses for which ITE received and

**Responses to March 23, 2005, Letter from Tom Brohard**

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compiled pass-by and diverted linked trip data.” Neither SANDAG nor ITE indicates that no pass-by occurs outside the p.m. peak hour.

The application of p.m. peak hour pass-by rates to other time periods, in the absence of more definitive data, is a reasonable assessment of pass-by rates for retail land uses during other time periods. Application of the same percentage of pass-by trips during all time periods yields a.m. peak hour pass-by trips that are less than a third of the pass-by trips during the p.m. peak hour. This is because the total number of retail trips during the a.m. peak hour is less than a third of the p.m. peak hour. Although there are no pass-by travel data available for periods other than the p.m. peak hour, the use of the p.m. percentage of pass-by trips for other time periods is reasonable.

**b) Pass-by Percentage Decreases as Project Size Increases (page 7)**

**Response:** The retail space proposed for Development Area 4 under the Maximum Trips Scenario would consist of one 7,000 square foot retail space and the conversion of smaller live/work ground-floor, street-facing units to retail space. The ITE fitted curve equation does not provide reasonable results for very small retail spaces. For example, the fitted curve equation would suggest an 85% pass-by share for the 7,000 square foot retail space and higher shares for the smaller retail spaces. Two studies were referenced in the ITE data for small retail spaces, both of which had slightly higher than 65% pass-by trips. Our interpretation of the ITE data was that a conservative procedure that would not overestimate pass-by trips would be to use a 65% pass-by trip reduction for the small spaces that would make up the 40,000 square feet of retail space in the Maximum Trips Scenario.

**c) Caltrans Limits Pass-by Reductions to 15 Percent Maximum (page 7)**

**Response:** The comment letter on the Draft EIR from the Caltrans District 4 Branch Chief IGR/CEQA did not object to the use of a pass-by reduction greater than 15 percent; however, a separate analysis was performed to determine if the use of a 15 percent pass-by reduction would change the results of the study. That analysis showed that the use of a 15 percent pass-by reduction would not change the findings of the study (See Draft EIR Appendix B). Also, see the response to Comment 5) d) ii) below.

**d) Appendix B Analysis of 15 Percent Pass-by Reduction Contains Errors (page 8)**

**i) Pass-by Applies to PM Peak Hour Only**

**Response:** Please refer to response to comment 5a.

**ii) Incorrect Pass-by Reduction Applied to Development Area 6**

**Response:** The supplemental analysis contained in the memorandum in Appendix B changed the pass-by factor to 15% for the 40,000 square feet of commercial space, but not for the small 6,000 square feet of commercial space. An analysis was performed to test the sensitivity of the traffic impact conclusions to the pass-by factor applicable to

## **Responses to March 23, 2005, Letter from Tom Brohard**

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the 6,000 square feet in Development Area 6. The conclusions of the traffic study would not be affected and no additional significant traffic impacts were identified. A copy of that sensitivity analysis is attached at the end of this document.

### **6) Reasonably Foreseeable Conditions Were NOT Analyzed (page 9)**

**Response:** See responses to Comments #2 and 3, above.

### **7) Baseline Traffic Counts May Be Outdated (page 9)**

The traffic volume data collected during the three years prior to the NOP issued for the Draft EIR at the end of 2003 most likely result in a conservative evaluation of transportation impacts. Since the collapse of the dot.com bubble in 2000, traffic volumes in the Bay Area have actually dropped in the area around the Proposed Project. The use of the older data may have resulted in the identification of traffic impacts that may not have been identified using newer data. A review of traffic data collected by Caltrans east of the Bay Bridge showed a 14 percent drop in peak hour traffic over the time period from 1999 to 2003.

Traffic data conducted at different times of the year does not constitute an inadequate basis for analysis. There is no requirement that traffic volumes be collected during any particular time of year – only that the traffic volumes be representative of conditions that are likely to exist. Although there can be variations in traffic data collected during different times of year, there can also be significant daily variations in traffic volumes, particularly in areas where there is significant congestion and where incidents on one facility may cause traffic shifts to other facilities. A reasonable attempt was made to collect traffic data that was representative of conditions at the time of the NOP. It is unlikely that additional traffic counts would show inflated traffic volumes in the project study area.

### **8) Draft EIR Significantly Underestimates Impacts of Project Trips (page 10)**

**Response:** The commentor's interpretation of the Project Description in the Draft EIR that "... all trips to and from the proposed project would pass through Intersection Numbers 11, 12, and 18 along the frontage road or through Intersection Numbers 9 and 13 along Wood Street. . ." is not correct. There is an extensive street system in West Oakland that provides additional access to Wood Street via 10<sup>th</sup>, 11<sup>th</sup>, 12<sup>th</sup>, 13<sup>th</sup>, 15<sup>th</sup>, 16<sup>th</sup>, 17<sup>th</sup>, and 20<sup>th</sup> Street. There are several project driveway access points that allow traffic to access those additional streets without having to pass through the intersections identified by the commentor. All of the trips were assigned to the roadway network along the shortest path available using the TRAFFIX software package, which was specifically designed for this purpose.

### **9) Project Phasing Requires Additional Analysis (page 11)**

**Response:** The method of analyzing traffic impacts in the EIR identifies all impacts that are expected to occur, both for the Proposed Project and for the Proposed Project in



## **Responses to March 23, 2005, Letter from Tom Brohard**

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combination with other reasonably foreseeable projects. This analysis reveals the impacts of the Project. Evaluation of project phases is not necessary to identify those impacts. Evaluation of project phases would merely identify when mitigation measures would be required according to the expected project schedule. A Mitigation Monitoring and Reporting Program has been developed, to determine when mitigation measures will be required. The MMRP addresses the timing of mitigation measures regardless of whether or not the expected project schedule is followed or if development occurs in another unanticipated manner.

### **10) Intersection Mitigation Measure TR-9.2 is Incorrect (page 12)**

**Response:** The method used to determine the effectiveness of providing protected left-turn signal phasing is taken from the Highway Capacity Manual (FHWA 2000). Protected left-turn signal phasing is widely recognized as a means of improving traffic operations at intersections where there are a large number of conflicts between left-turning and through vehicles. The use of protected left-turn signal phasing for the West Grand Avenue approaches to the intersection mitigate impacts in this case.

### **11) Freeway Operations Analysis is Erroneous (page 12)**

**Response:** With the revision to the title of Table 3.4-11 in the FEIR, it should be clear that the comparison in the table is between existing freeway conditions in 2003 (there is no project in place for existing conditions) and freeway conditions in 2025 with the project traffic included for the two project scenarios. There is an assessment of the combined effect of the Project, in combination with other past projects, other current projects, and probable future projects. The analysis is consistent with standard City of Oakland practice to define the cumulative traffic increase as being measured by the difference between existing and cumulative [with project] conditions. This ensures identification of cumulative impacts, and the project's contribution toward those cumulative impacts.

The traffic analysis for the information contained in Table 3.4-11 does reflect a clerical error in that the traffic cumulative traffic volumes for the eastbound and westbound directions on I-80 east of the I-80/I-580 split without the Proposed Project were transposed. Correction of the transposition showed that the westbound direction of I-80 on this freeway segment would be significantly impacted during the a.m. peak hour. The Draft EIR showed the westbound direction of I-80 on this segment would be significantly impacted during the p.m. peak hour for both project scenarios. The correction eliminated the a.m. peak hour impact shown in the Draft EIR for the eastbound direction of this freeway segment for both project scenarios. Accordingly, there is no change in the impact conclusions in the EIR.

The traffic analysis does show an improvement of traffic operation on I-580 east of I-980/SH-24 in for the off-peak directions during both peak periods – eastbound during the a.m. peak hour and westbound during the p.m. peak hour. These changes do not result from the addition of trips to this freeway segment from the Wood Street Project. The travel demand model shows lower traffic volumes than existing traffic volumes for these freeway segments without the project traffic. A supplemental evaluation of the travel demand model

## **Responses to March 23, 2005, Letter from Tom Brohard**

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suggests that changes in land use patterns and distribution patterns between now and 2025 are responsible for the lower traffic volumes on I-580, which are off-set by substantial increases in traffic volumes in the off-peak directions along I-80 leading to San Francisco.

### **12) Freeway Operations Analysis Does Not Follow Caltrans Guidelines (page 13)**

**Response:** The analysis of transportation impacts of the Proposed Project identified the project's contribution to area traffic and degradation to existing and cumulative levels of service. The level of service threshold for freeways in the Bay Area has been the transition between LOS E and LOS F on numerous studies in the City of Oakland. Significant cumulative impacts were identified on Bay Area freeways and mitigation measures were identified, although the mitigation measures would not reduce cumulative impacts to a level that would be less-than-significant. Please refer to response to Comment 1 regarding significance thresholds and the Caltrans response to the Draft EIR.

### **13) On Site Parking Will Be Inadequate (page 13)**

**Response:** As stated in the Draft EIR, ". . . the absence of a ready supply of parking spaces, combined with available alternatives to auto travel (e.g., transit service, shuttles, taxis, bicycles, or travel by foot), may induce drivers to shift to other modes of travel, or change their overall travel habits. Any such resulting shifts to transit service would be in keeping with the City's "Transit First" policy." Consistent with that policy, it is not necessary to accommodate all of the demand for parking on site. The Draft EIR evaluates if the Project's estimated parking demand would be met by the Project's proposed parking supply or by the existing parking supply within a reasonable walking distance (two blocks) of the Project Area. In the area around the special event space, where parking is not expected to be available within a reasonable walking distance, the Draft EIR recommended adding on-site parking.

There is no requirement that the project must satisfy all its parking demand on-site. As stated in the Draft EIR, ". . . unmet parking demand created by a project need not be considered a significant environmental impact under CEQA unless it would cause significant secondary effects (San Franciscans Upholding the Downtown Plan v. the City and County of San Francisco (2002) 102 Cal.App.4<sup>th</sup> 656)." No secondary effects of using off-site parking spaces to serve the development are anticipated.

It is not necessary to use a circulation contingency factor for this project. Most of the residential parking will be assigned to specific units, so there will be no recirculation for residential uses. The retail spaces in the development will largely serve residents of the development, who will already have a residential parking space. As stated in the Draft EIR, ". . . cars circling and looking for a parking space in areas of limited parking supply is typically a temporary condition, often offset by a reduction in vehicle trips due to others who are aware of constrained parking conditions in a given area. Hence, any secondary environmental impacts that might result from a shortfall of parking in the vicinity of the Project are considered less than significant."

**Responses to March 23, 2005, Letter from Tom Brohard**

April 20, 2005

It is appropriate that illegally parked semi trucks were not considered in the parking study. Illegal semi truck parking currently occurs because there is an overabundance of parking spaces in the area where the illegal parking occurs and few complaints are generated. After the Project is completed and the demand for on-street parking increases, complaints will result in increased enforcement of parking regulations.

The commentor states, "Parking demand for commercial uses will occur during the day, not in the middle of the night when the parking survey was conducted." The parking survey was conducted at night to assess the potential for parking deficiencies for the largely residential project. It is clearly stated on page 3-43 that "A supplemental assessment of daytime parking was performed using aerial photographs and a site visit. The findings were that the daytime parking demand was essentially the same in the survey area except for 16<sup>th</sup> and 17<sup>th</sup> Streets, where effectively no on-street parking was available."

**14) Appropriate and Timely Mitigation Needs to be Provided (page 15)**

**Response:** The EIR concluded that traffic mitigations would feasibly be built only if funded by the Project Sponsors, or if funded pursuant to an established program that already determined costs and fair shares, and if such programs were not available, the impact was considered potentially significant and unavoidable. The EIR did not assume that unfunded traffic improvements will be built. Cost estimates are therefore not necessary to the determination whether mitigation measures will feasibly be implemented. A Mitigation Monitoring and Reporting Program has been developed to make sure the mitigation measures are in place when needed.



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# Memorandum

Date: April 20, 2005

To: Rod Jeung Company: EIP Associates

Fax: 415.362.1954 Pages: 5

Phone: 415.362.1500

From: Mark Bowman and Alice Chen Reference: P03036

Subject: Central Station EIR – Response to Comments on Administrative Draft EIR

- Urgent   
  For Review   
  Reply ASAP   
  For your Information   
  As Requested   
  Original will follow by mail  
 Fax   
  USPS   
  Fed-Ex Overnight   
  Fed-Ex Two-Day   
  Courier/Hand Delivery   
  Pick-up

This memorandum has been updated to reflect 6,000 square feet of retail development in Development Area 4 in the previous memo dated September 16, 2004, and included as part of Appendix B in the Draft EIR. The memorandum addresses the concern that the City of Oakland has with the pass-by reduction applied to the trip generation for retail uses. The analysis in the Draft EIR was conducted assuming that 65% of the trips for the commercial uses would be traffic already on the adjacent street. The 65% reduction was based on the pass-by trip percentages for Shopping Centers in the Institute of Transportation Engineer *Trip Generation Handbook* (See attached Figure 5.5) and assumed that the 40,000 square feet of retail would be separated into several smaller spaces. Since the City felt that the 65% reduction was too high, the potential effects of a more conservative, worst-case pass-by reduction of 15% were quantified in terms of trip generation and the potential effects at the intersection level are qualitatively discussed.

## Trip Generation

The trip generation was recalculated assuming the more conservative 15% pass-by reduction. By reducing the pass-by percentage from 65% to 15%, the overall trip generation of the project increases for both the Maximum Residential Scenario and the Maximum Trips Scenario. A comparison of these trip generation differences is summarized in Table 1.

Under the Maximum Residential Scenario, the daily trip generation increases by 1,174 trips (12%), while the AM peak hour trip generation increase by only 31 trips (4%) and the PM peak hour trips increase by 104 trips (12%). Under the Maximum Trips Scenario, the daily trip generation increases by 2,449 trips (21%), the AM peak hour by 61 trips (6%), and the PM peak hour by 221 trips (19%). The increased trip generation during the AM peak hour is minimal, while the increase in PM peak hour trips may affect the results of the intersection analysis.

Table 1 Trip Generation Comparison

Land Use	Amount	Daily	Trips Generated						
			AM Peak Hour			PM Peak Hour			
			In	Out	Total	In	Out	Total	
<b>65% Pass-by Reduction</b>									
<b>Maximum Residential Scenario</b>									
	Commercial	25KSF							
Total	Residential	1,570Units	9,646	168	624	792	507	332	839
<b>Maximum Trips Scenario</b>									
	Commercial	316KSF							
Total	Residential	1,273Units	11,766	503	575	1,078	529	630	1,160
<b>15% Pass-by Reduction</b>									
<b>Maximum Residential Scenario</b>									
	Commercial	25KSF							
Total	Residential	1,570Units	10,820	187	637	823	556	386	943
<b>Maximum Trips Scenario</b>									
	Commercial	316KSF							
Total	Residential	1,273Units	14,215	540	599	1,139	635	745	1,380
<b>15% Pass-by Reduction and 33,000 sf Office</b>									
<b>Maximum Trips Scenario</b>									
	Commercial	316KSF							
Total	Residential	1,273Units	12,615	577	588	1,166	559	738	1,297

Source: *Trip Generation, 6th Edition*, Institute of Transportation Engineers, 1997.

As requested by Andy Getz, trip generation for the Maximum Trips Scenario was also recalculated assuming that 33,000 square feet of the commercial space were used as office rather than retail space, leaving only 13,000 square feet of retail space. The Maximum Residential Scenario was not modified. As shown in Table 1, the office use results in 12,615 daily trips, which is less than with retail uses. The AM peak hour trips increase by 27 trips with the office use, while the PM peak hour trips decrease by 83 trips.

### Trip Distribution

When this increase in trip generation with the 15% pass-by reduction is distributed to the roadway network, the incremental increase in peak hour trips is minimal. As shown in Table 2, along most routes the incremental increase in traffic is less than normal daily fluctuations in peak hour traffic volumes on the roadways.

Table 2. Trip Distribution – Additional Trips with 15% Pass-by Assumption

Route	Percent of Project Trips	Maximum Residential Scenario – Trip Increment		Maximum Trips Scenario – Trip Increment	
		AM	PM	AM	PM
I-80 West	8%	2	8	5	18
I-80 East	19%	6	20	12	42
SR 24	4%	1	4	2	9
I-880 South	15%	5	16	9	33
Mandela North of 32nd	6%	2	6	4	13
40th East of Hollis	3%	1	3	2	7
I-580 East (local)	8%	2	8	5	18
Grand East of Adeline	6%	2	6	4	13
Grand East of Northgate	5%	2	5	3	11
7th East of Market	4%	1	4	2	9
Powell Street	1%	0	1	1	2
14th East of Market	6%	2	6	4	13
18th East of Mandela	5%	2	5	3	11
West Oakland BART	5%	2	5	3	11
Estuary	5%	2	5	3	11
<b>Total</b>	<b>100%</b>	<b>31</b>	<b>104</b>	<b>61</b>	<b>221</b>

Sources: Dowling Associates, Inc., 2003; Alameda Countywide Model, 2003.

### Potential Effect on Intersection Operations

The potential effects on intersection operations of the increased trip generation during the AM and PM peak hour due to the 15% pass-by reduction were qualitatively assessed. Detailed technical analysis was not conducted. However, the proportional increase in traffic was compared to the increased delays due to the project at critical intersections where the level of service (LOS) is close to the significance threshold.

Under Existing Conditions with the Proposed Project (as shown in Table 3.4-5 in the DEIR), all analysis intersections operated at LOS D or better. Only three intersections would operate at LOS D. For these intersections, the incremental delay for each analysis scenario (Maximum Residential Scenario and Maximum Trips Scenario) using the 65% pass-by reduction was proportionally increased by 6% during the AM peak hour and up to 19% during the PM peak hour. Assuming this proportional increase in delay due to the increased trip generation with the 15% pass-by reduction, the LOS would not change.

Under the Cumulative (2025) Conditions with the Proposed Project (as shown in Table 3.4-11 in the DEIR), the analysis assuming 65% pass-by reduction found that significant cumulative impacts would occur at the following intersections:

- West Grand Avenue / Maritime Street
- West Grand Avenue / I-880 frontage road

- West Grand Avenue / Mandela Parkway
- 7<sup>th</sup> Street / Mandela Parkway
- 3<sup>rd</sup> Street / Market Street

At the intersection of West Grand Avenue / I-880 frontage road, the mitigation measure proposed for the 65% pass-by reduction results in LOS D with an average delay of 54.3 seconds, under the Maximum Trips Scenario during the PM peak hour. Since the threshold between LOS D and E is at 55 seconds, the incremental traffic with the 15% pass-by assumption may require additional improvements to reduce the impacts to less than significant levels. However, the finding of significant unavoidable would not change.

In addition to these locations, several intersections are approaching the LOS significance threshold under the cumulative 2025 condition with the 65% pass-by assumption. With the 65% pass-by reduction, the change in delay with either the Maximum Residential Scenario or the Maximum Trips Scenario when compared to the No Project cumulative condition was found to be minimal and the incremental increase in trips associated with the more conservative 15% pass-by reduction is not expected to significantly increase the delays at these intersections, except at the following locations:

- 16<sup>th</sup> Street / I-880 frontage road
- 14<sup>th</sup> Street / I-880 frontage road

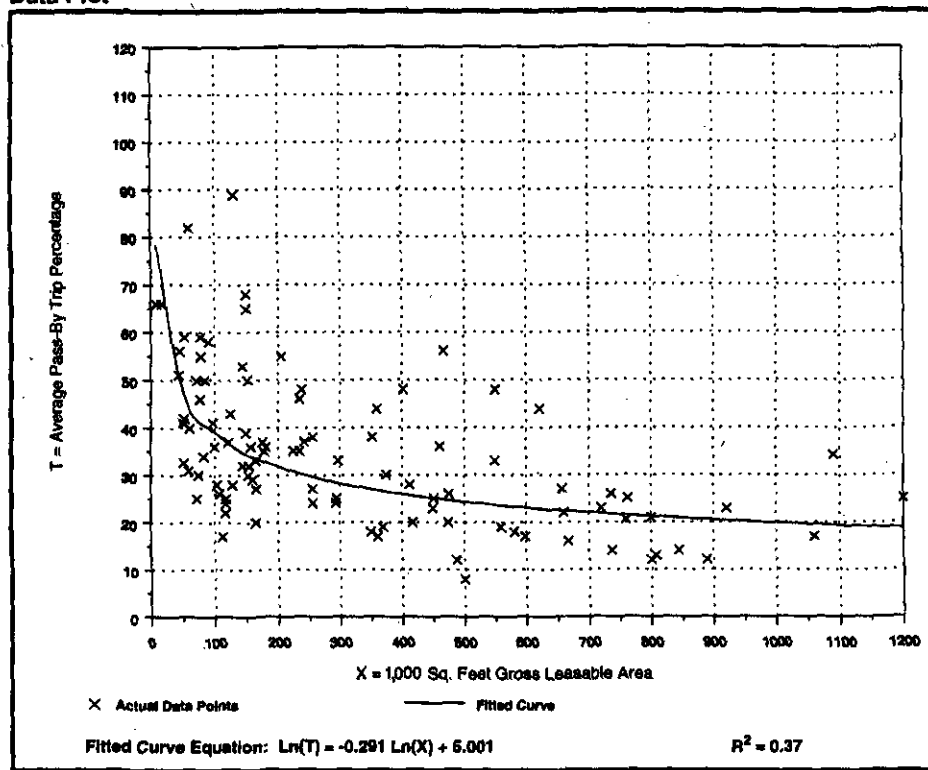
With the incremental increase in Project traffic due to the more conservative 15% pass-by trip reduction, the intersection operations may drop to below LOS D, since these two study intersections provide access to Parcel 4 where the retail uses are proposed. The Project in combination with other foreseeable and background growth would add more than ten (10) or more vehicles, but after Project completion would not satisfy the Caltrans peak hour volume warrant at an unsignalized intersection. Therefore, the Project increased delay would not be considered a significant impact.

With the incremental increase in Project traffic due to the more conservative 15% pass-by trip reduction, the overall findings for intersection operations in the DEIR are not expected to change.

**Figure 5.5 Shopping Center (820)**

Average Pass-By Trip Percentage vs: 1,000 Sq. Feet Gross Leasable Area  
On a: Weekday, P.M. Peak Period  
Number of Studies: 100  
Average 1,000 Sq. Feet GLA: 329

**Data Plot**





**ATTACHMENT A-5**  
**Response to Rajiv Bhatia, M.D., M.P.H.,**  
**Paul English, Ph.D., M.P.H., and**  
**Rick Kreuzer, M.D.; SBF Consulting**

- 1. The compatibility of sensitive land uses with the adjacent I-880 freeway has not been adequately addressed or mitigated through the CEQA process.**

**Response:** The Air Quality section of the Draft EIR (Section 3.6) addresses all of the physical air quality impacts of the Project. Per Master Response 3 and Response 9.1 (p. 4-32) in the Final EIR, "Placement of a new residential land use into an industrial area is a land use policy choice that must be made by the City Planning Commission and Council." Therefore, potential land use changes that would result from the Project shall be considered by the City as part of the planning process, and not in and of itself considered a significant physical effect of the Project under CEQA.

- 2. The California Air Resources Board's *Air Quality and Land Use Handbook: a Community Health Perspective* (February, 2005) recommends "avoid siting sensitive land uses within 500 feet of a freeway, urban roads with 100,000 vehicles per day, or rural roads with 50,000 vehicles per day."**

**Response:** As explained in Master Response 3, the EIR examines the impacts of the environment on the Project and not the Project on the environment. This issue of public health risks from locating near busy freeways is an example of an impact of the environment on the Project and, as noted above, is a policy issue.

With regard to the above-referenced CARB guidance document, the Notice of Public Availability of the *Handbook* states that "The Handbook is advisory, not regulatory, and contains recommendations on siting of new sensitive land uses such as homes, schools, and daycare centers. It provides available information on the potential health impacts of siting new sensitive land uses near sources of air pollution and makes distance recommendations where possible. It also provides information on air quality issues relating to land use and promotes the consideration of localized air pollution impacts in the land use decision-making process." The recommendations of this document, therefore, serve as a guideline for decision-makers rather than a regulatory requirement.

Pursuant to CEQA, the Draft EIR addresses changes to baseline conditions as the result of implementing a project including potential air quality impacts. As stated in Master Response 3 (on p. 3-23) of the Final EIR, the City also examined whether the exposure of Project residents to diesel emissions from the adjacent freeway would pose a substantial cancer risk, even though this is not an effect of the Project. The potential exposure of projects residents to diesel emissions is analyzed on p. 3-24 of the Final EIR

Therefore, the Final EIR concludes that particulate emission levels in the Project Area vicinity from diesel emissions are comparable to other locations in the Bay Area and would not present a noticeably greater health risk by locating new residents here than other locations in Oakland.

- 3. A buffer between the freeway and the nearest residential receptors is recommended as an appropriate mitigation measure. The BAAQMD comment letter on the Draft EIR states that "If significant impacts are identified, the FEIR should include**

mitigation measures, such as development guidelines that orient buildings away from sources of pollution or appropriate setback or buffer zones, to mitigate impacts to a less-than-significant level.”

**Response:** According to the air quality analysis included in the Draft EIR and the Final EIR, no significant operational air quality impacts would result from the Project. Therefore, mitigation measures are not required for project operation. Page 3-18 of the Final EIR also includes additional measures or conditions of approval that could further reduce diesel particulate emissions during Project construction. Although these measures are not required mitigation measures of the Project, any effort to implement these measures would further reduce a less-than-significant impact. Although mitigation measures for operational impacts would not necessitate the need for a buffer between the freeway and residential uses, the Project was designed with the intent to minimize conflicts between uses.

Research has demonstrated that ultrafine particle size (including PM<sub>10</sub> and PM<sub>2.5</sub>) distribution from freeways changes markedly and its number concentration dropped dramatically with increasing distance. For example, a southern California study (Zhu, 2002) showed measured concentrations of vehicle-related pollutants, including ultra-fine particles, drop dramatically within approximately 300 feet of the 710 and 405 freeways. Distance from the freeway was, therefore, considered in designing this project. However, a distance of 500 feet from the freeway would eliminate sizable areas designated for housing in the Project Area and render the Project economically infeasible. In order to allow a 500-foot setback, the entire width of the Project Area between 16<sup>th</sup> and 20<sup>th</sup> Streets would be eliminated. The chart included by the commentor demonstrates that the difference between a 300-foot setback and a 150-foot setback is about a 10% reduction in emissions, while a 500-foot setback would reduce emissions by an additional 5%. Therefore, setbacks, while advisable, must be considered on a case by case basis and weighed with the costs of the Project.

Therefore, the EIR adequately addresses both significant air quality impacts as well as issues related to land use compatibility.

4. **The commentor also expresses concern about the lack of historical context included in the EIR for the reconstruction of the Cypress Freeway. Since the reconstruction was influenced by the community, which was concerned and motivated in part by health risks associated with being adjacent to a freeway, the commentors think the EIR should introduce information from that project, especially as it relates to public health concerns.**

**Response:** The Draft EIR includes a discussion of the I-880 or the Cypress freeway in the Transportation, Air Quality, and Land Use sections of the EIR based on its current conditions and identifies significant physical impacts related to each topic. Introduction of additional data to address the community's role in its realignment is important but not particularly relevant to the current project, which does not involve a major transportation project. The location and configuration of the Project Area does not allow for the uses to be substantially reconfigured to provide a greater physical separation between the residences and I-880.

5. **The air quality analysis for the project has not been fully disclosed because the calculations prepared for the Project are not included in the Draft EIR.**

**Response:** The air quality calculations were not bound into the Draft EIR document, but they are on file with the City of Oakland, Community and Economic Development Agency, at 250 Frank Ogawa Plaza, Suite 3315 and are available for public review.

6. **The EIR fails to quantify and fully disclose air quality impacts from Project construction.**

**Response:** Per p. 3-15 of the Final EIR in Master Response 3, “In accordance with the BAAQMD CEQA Guidelines, the construction-period air quality analysis in the Draft EIR does not quantify emissions.” However, the Final EIR includes supplementary PM<sub>10</sub> analysis consisting of air quality modeling to directly quantify potential construction impacts. The supplementary analysis of construction-period emissions shows 69.14 pounds per day of PM<sub>10</sub> being generated, of which 9.18 pounds would be produced by off-road diesel equipment. This level of emissions would be below the construction threshold of significance for PM<sub>10</sub> of other consulted air districts, and below the BAAQMD operational standard of 80 pounds per day. As a result, based on the quantification of construction emissions, PM<sub>10</sub> generated by Project construction would be considered less than significant.

7. **Other possible mitigation measures such as building design, ventilation, and air cleaners are available to address operational impacts.**

**Response:** Since operational impacts for the Project were found to be less than significant, mitigation measures would not be required. Efforts to implement these measures would further reduce a less-than-significant impact would be a policy matter for the City decision makers. In addition, some of these measures are already required for implementation of the Project. For example, building ventilation is required per California’s AB 970 Energy Standards and compliance with Title 24 Building Standards would keep interior noise levels at 45 dBA and further limit potential air leaks that could allow TACs to reach residents.

8. **The use of alternate fuels, cleaner engines, and control devices are all feasible mitigation measures and should, therefore, be required mitigation measures for the Project.**

**Response:** This point has already been addressed in Master Response 3; please see Final EIR beginning on page 3-18.

9. **The Project may conflict with the Clean Air Plan and does not address cumulative impacts.**

**Response:** Both of these issues were previously raised in the Draft EIR. Please refer to Response 24.17 in the Final EIR.

**ATTACHMENT A-6**  
**Response to Jeremy Hays, Urban Strategies Council;**  
**Howard Greenwich, East Bay Alliance for Sustainable Economy;**  
**Dr. Rajiv Bhatia, UC San Francisco**

**1. The Mundie Report is not a Community Impact Report.**

**Response:** The focus of the EIR is on physical environmental impacts and therefore, by itself, does not provide the broad perspective needed by the City or the community to make an informed decision. In order to provide this broader context, City staff directed the preparation of The Proposed Wood Street Project: Policy and Planning Framework (the Mundie Report). This report did not identify any physical environmental impacts relevant to CEQA nor any physical impacts associated with the economic concerns raised by the commentors.

**2. The Mundie Report acknowledges gentrification and displacement effects but provides no additional analysis to quantify the scope or scale.**

**Response:** The comments echo the same points raised during the public review of the Draft EIR. Master Response 5 in the Final EIR, beginning at page 3-51, indicates that no causation between the Project's socioeconomic effects and physical impacts has been demonstrated by the materials provided by the commentors. Notably, while the studies cited indicate that lower income residents typically suffer poorer health than wealthier residents, that living in a segregated neighborhood can lead to health problems, and that continuing urban decay is associated with rising crime levels, the studies do not indicate that the Project would cause reductions in the economic status of any persons, let alone cause persons currently living in West Oakland to move out of West Oakland and to suffer homelessness or crowding.

Bay Area Economics has reviewed and evaluated a letter submitted as part of the appeal by Mr. Hays, Dr. Rajiv Bhatia, and Howard Greenwich concerns the Mundie Report, included in the Final EIR as Appendix C. The issues raised by the authors address gentrification and socioeconomic impacts of the Project. A comprehensive review of the studies cited by the authors in their Draft EIR comment letters was included in the Final EIR as Appendix B. The letter attached to the appeal was carefully reviewed to identify any new citations. Bay Area Economics then researched those new citations to determine if they contained evidence to link the Project to gentrification or to the effects alleged by the authors. The results of that detailed analysis are presented as a continuation of Appendix B; see specifically Items 20-24.

Bay Area Economics also reviewed a letter from the 16<sup>th</sup> & Wood Train Station Coalition that reiterated many of the mitigation measures suggested during the public review of the Draft EIR. While this letter was not attached to the appeal, it summarizes the requests of the Coalition and two of the appeals attachments. Accordingly, Bay Area Economics also reviewed the citations contained in this letter and describes their relevance to the Wood Street Project and the EIR as Item 25 to Appendix B, which is included in its entirety here for ease of reference.

Source	Comments on Cited Source
<p>1. Alejandrino, S. 2000. "Gentrification in San Francisco's Mission District: Indicators and Policy Recommendations." San Francisco: Mission Economic Development Association. (Endnote 11)</p>	<p>The report mentions certain indirect impacts of gentrification including: 1) increased land values which increase costs for developers of affordable housing; and 2) displacement of working-class residents in gentrifying neighborhoods leading to hiring difficulty for industrial employers in such neighborhoods.</p> <p>The report does not address how or whether these social and economic impacts of gentrification would lead to physical, environmental impacts and is not pertinent to determining whether the Wood Street Project would cause or contribute to physical, environmental impacts related to gentrification.</p>
<p>2. Atkinson, Rowland. 2002. "Does Gentrification Help or Harm Urban Neighborhoods? An Assessment of the Evidence-Base in the Context of the New Urban Agenda." Economic and Social Research Council, Centre for Neighbourhood Research, Paper 5.</p>	<p>The paper reviews the literature on neighborhood impacts of gentrification. It identifies 71 studies that examine the issue of displacement and notes that there is general concurrence in the research about what socioeconomic class of residents is most likely to be affected, and the "social costs imposed" on those residents.</p> <p>The report does not address how or whether the social costs of gentrification would lead to physical impacts and is not pertinent to determining whether the Wood Street Project would cause or contribute to physical, environmental impacts related to gentrification.</p>
<p>3. Coalition for a Livable Future. 1996. <i>Displacement: The Dismantling of a Community</i>.</p>	<p>This study describes rising housing prices in various neighborhoods in Portland and summarizes interviews with people who moved due to rising housing costs, tax bills, and/or difficulty doing proper up keep on their house. The report does not address whether new housing construction leads to increased housing costs nor does it describe any physical, environmental impacts of displacement. It does not provide any bases for projecting whether the Wood Street Project would cause or contribute to physical impacts related to gentrification.</p>
<p>4. Costa, S., et. al. 2002. "Neighborhood Knowledge for Change: The West Oakland Environmental Indicators Project." Oakland: Pacific Institute for Studies in Development, Environment, and Security. (Endnote 30)</p>	<p>The report describes various indicators that were developed by researchers and West Oakland residents to track neighborhood health. One such indicator is a "Vulnerability to Displacement" indicator. This indicator does not measure the number of people who are actually displaced from the neighborhood, nor does it provide data regarding the likelihood that those vulnerable to displacement will actually be displaced. Accordingly, it does not provide information relevant to whether the Wood Street Project would cause or contribute to any physical impacts resulting from displacement.</p>
<p>5. Freeman, L., and Braconi, F. 2001. "Gentrification and Displacement." <i>The Urban Prospect</i>. Citizens Housing and Planning Council. Vol. 8, No 1.</p>	<p>The report makes an important argument with regard to gentrification and displacement. The authors found that "rather than speeding up the departure of low-income residents through displacement, neighborhood gentrification in New York City was actually associated with a lower propensity of disadvantaged households to move." Moreover, the report argues, "The most plausible explanation for this surprising finding is that gentrification brings with it neighborhood improvements that are valued by disadvantaged households, and they consequently make greater efforts to remain in their dwelling units, even if the proportion of their income devoted to rent rises." (Online document. Page numbers unavailable).</p>

Source	Comments on Cited Source
<p>6. Harvey, T., et. al. 1999. "Gentrification and West Oakland: Causes, Effects, and Best Practices." Class Project for Course at the Department of City and Regional Planning, University of California, Berkeley.</p>	<p>This paper describes global and local forces that the authors believe are causing gentrification. Among the local policies that the authors believe are contributing to gentrification are the 10K Initiative, waterfront development, and army base redevelopment. Written in 1999, the paper describes these policies but does not provide analysis to demonstrate that these policies are leading to displacement or gentrification.</p> <p>The paper also describes the effects of gentrification, focusing exclusively on economic and social impacts. Some impacts described are negative: possible displacement, possible conflicts between old and new residents, and possible shifts in the local economy away from its industrial base. The paper does not provide any analysis to demonstrate that displacement has increased in West Oakland or that levels of conflict have increased. The paper also does not provide analysis to link decades of economic shifts in West Oakland with local gentrification. Other effects of gentrification described include increased tax base, school improvements, and better public safety services.</p> <p>With its focus on economic and social impacts of gentrification and a lack of analysis and information to support conclusions, the paper is not relevant to whether the Wood Street Project would cause or contribute to any physical impacts resulting from displacement.</p>
<p>7. Kasarda, J. "Comments on Elvin K Wyly and Daniel J. Hammel's 'Island of Decay in Season of Renewal: Housing Policy and the Resurgence of Gentrification'". <i>Housing Policy Debate</i>. Vol. 10, Issue 4, pp. 773-781.</p>	<p>This paper does not address displacement. It focuses on levels of capital inflows to gentrifying neighborhoods and the effect of housing policy on such investments. It does not provide information relevant to determining whether the Wood Street Project would cause or contribute to any physical impacts resulting from any gentrification.</p>
<p>8. Kennedy, M. and Leonard, P. 2001. "Dealing with Neighborhood Change: A Primer on Gentrification and Policy Choices." <i>The Brookings Institution Center on Urban and Metropolitan Policy and Policy Link</i>. Washington DC: Brookings Institution. (Endnote 12)</p>	<p>This paper explains the mechanism that led to displacement in gentrifying neighborhoods, but does not address the question of physical environmental impacts of gentrification-caused displacement or provide information relevant to determining whether the Wood Street Project would cause or contribute to any physical impacts resulting from any gentrification.</p> <p>This paper is a discussion of themes in research about gentrification. It does not directly address the topic of displacement. It classifies various papers on gentrification according to their ideological bent and advocates new areas for research. The article does not discuss any environmental ramifications of gentrification or provide information relevant to determining whether the Wood Street Project would cause or contribute to any physical impacts resulting from any gentrification.</p>
<p>9. Lees, L. 2000. "A re appraisal of gentrification: towards a 'geography of gentrification'". <i>Progress in Human Geography</i>. 24,3, pp. 389-408.</p>	<p>This paper is a discussion of themes in research about gentrification. It does not directly address the topic of displacement. It classifies various papers on gentrification according to their ideological bent and advocates new areas for research. The article does not discuss any environmental ramifications of gentrification or provide information relevant to determining whether the Wood Street Project would cause or contribute to any physical impacts resulting from any gentrification.</p>
<p>10. Massey, D. 2002. Comments to Jacob Vigdor's "Does Gentrification Harm the Poor?" in Gale, William G and Janet Rothenberg Pack (eds), <i>Brookings-Wharton Papers on Urban Affairs</i> 2002. Washington, DC: Brookings Institution Press.</p>	<p>This piece is a response to Jacob Vigdor's article (see No. 18 below). The author agrees with Vigdor's conclusion that gentrification does not definitively harm the poor and may actually help them through processes of neighborhood improvement, including injection of new tax revenue and political capital into distressed neighborhoods. It does not provide information relevant to determining whether the Wood Street Project would cause or contribute to any physical impacts resulting from any gentrification.</p>

Source	Comments on Cited Source
11. National Low Income Housing Coalition. 2002. "Out of Reach 2001: America's Growing Wage-Rent Disparity."	The report is the NLIHC's annual report on housing affordability in every jurisdiction in the country. It does not discuss gentrification or displacement specifically.
12. Rivlin, A. 2002. Comments to Jacob Vigdor's "Does Gentrification Harm the Poor?" in Gale, William G and Janet Rothenberg Pack (eds), Brookings-Wharton Papers on Urban Affairs 2002. Washington, DC: Brookings Institution Press.	The piece is a response to Jacob Vigdor's article (see No. 18 below). As is the case with No. 10, above, the author here agrees with Vigdor's conclusion that gentrification does not definitively harm the poor and may actually help them through processes of neighborhood improvement, including injection of new tax revenue and political capital into distressed neighborhoods. The piece does not provide information relevant to determining whether the Wood Street Project would cause or contribute to any physical impacts resulting from any gentrification.
13. Robinson T. 1995. "Gentrification and Grassroots Resistance in San Francisco's Tenderloin". <i>Urban Affairs</i> . Vol. 30, No. 4. March. pp. 483-513.	The article provides a history of gentrification battles in San Francisco's Tenderloin area, focusing on the emergence of a neighborhood campaign to challenge major development projects. The article does not provide information relevant to determining whether the Wood Street Project would cause or contribute to any physical impacts resulting from any gentrification.
14. Slater, T., et. al. 2004. "Gentrification Research: New Direction and Critical Scholarship." <i>Environment and Planning A</i> . Vol. 36, pp. 1141-1150.	The article critiques recent trends in gentrification research as focusing on the experience of middle-class "gentrifiers" and becoming bogged down in definitional questions about what is gentrification. The article is the introduction to a collection of essays by other writers on the topic of gentrification. By the description of the author, these articles address the disruption and upheaval within gentrifying neighborhoods. There is no indication that these articles address information relevant to the question of whether the Wood Street Project would cause or contribute to any physical impacts resulting from any gentrification.
15. Spain, D. 1993. "Been-heres Versus Come-heres: Negotiating Community Identities." <i>Journal of the American Planning Association</i> . Vol. 59, No. 2, pp. 156-171.	The article describes conflicts between old-timers and newcomers in gentrifying neighborhoods. It indicates that as a result of gentrification there can be a privatization of areas that were formerly considered public, leading to conflicts. Aside from identifying this phenomenon as a potential source of conflict, it does not explore physical environmental consequences of gentrification nor does it address displacement or its effects.
16. The Chicago Rehab Network. 1995. "Development Without Displacement Task Force Background Paper," UIC Natalie P. Voorhees Center for Neighborhood and Community Improvement.	The paper mentions social and economic costs of displacement/relocation, but does not address physical environmental consequences. The main intent of the paper is to serve as a toolbox, listing various strategies and policies to be used to prevent gentrification-caused displacement. It does not provide information relevant to determining whether the Wood Street Project would cause or contribute to any physical impacts resulting from any gentrification.
17. US Department of Housing and Urban Development. 2000. "Rental Housing Assistance – The Worsening Crisis." Washington, DC: Office of Policy Development and Research. Washington, DC: US HUD.	The report documents the problems with housing affordability in the United States. It does not specifically focus on gentrification or displacement.
18. Vigdor, J. 2002. "Does Gentrification Harm the Poor?" in Gale, William G and Janet Rothenberg Pack (eds), Brookings-Wharton Papers on Urban Affairs 2002. Washington, DC: Brookings Institution Press.	The article asks the question of whether gentrification harms the poor, addressing among other items, the issue of displacement. According to the article, "existing literature has failed to demonstrate convincingly that gentrification harms the poor. Most studies have erroneously focused on displacement as an indicator of harm and have failed to demonstrate that gentrification causes displacement." The article does not provide information relevant to determining whether the Wood Street Project would cause or contribute to any physical impacts resulting from any gentrification.

Source	Comments on Cited Source
19. Wyly, Evlin K. and Daniel J Hammel. 1999. "Islands of Decay in Seas of Renewal: Housing Policy and the Resurgence of Gentrification." <i>Housing Policy Debate</i> . Vol. 10, Issue 4, pp. 711-771.	The article explores the hypothesis that national urban policy and a new regime of housing finance have reinforced private-market gentrification. The article provides a narrow and quantitative look at these questions and does not discuss ramifications of gentrification-caused displacement or provide information relevant to determining whether the Wood Street Project would cause or contribute to any physical impacts resulting from any gentrification.
20. Brunick, N. "The Inclusionary Housing Debate: The Effectiveness of Mandatory Programs Over Voluntary Programs." <i>Zoning Practice</i> . American Planning Association, 2004.	This article examines the efficacy of various inclusionary housing programs nationwide. It concludes that mandatory inclusionary housing programs are preferable to voluntary programs, in terms of generating more affordable housing, particularly for lower-income groups. It furthermore concludes that mandatory programs offer more predictability for developers than voluntary programs and that inclusionary housing programs do not stifle housing production. Focused exclusively on inclusionary housing, the article does not provide information relevant to determining whether the Wood Street Project would cause or contribute to any physical impacts resulting from possible gentrification.
21. California Coalition for Affordable Housing and Non-Profit Housing Association of Northern California. <i>Inclusionary Housing in California: 30 Years of Innovation</i> . 2003.	The report examines the increasing prevalence of inclusionary housing programs to address affordable housing need in California. It identifies the programs as an important tool available to local governments and describes statewide experiences in implementing such programs. Focused exclusively on inclusionary housing programs, the article does not provide information relevant to determining whether the Wood Street Project would cause or contribute to any physical impacts resulting from any gentrification.
22. Sedway Group. <i>Rincon Hill Financial Feasibility and Funding Analysis</i> . July 2004.	The study provides a financial feasibility analysis for a residential development in San Francisco in order to derive a residual land value. This residual land value is used to comment on what is the appropriate level of development impact fees in connection with this development. The study does not comment on the topic of gentrification and displacement and is not germane to evaluating any physical impacts the Wood Street Project might have.
23. Los Angeles Alliance for a New Economy. <i>A Model Community Impact Report: A Case Study of the Proposed Adams LaBrea Commercial Development</i> . 2003.	This report examines expected impacts associated with a proposed retail development in Los Angeles, noting that the plan for the development requires the demolition of 74 residential units. It does not describe or mention any link between development of new mixed income housing that requires no demolition of housing and gentrification or displacement. It is therefore not relevant to evaluating whether the Wood Street Project would cause gentrification or displacement or any physical impacts related to displacement or gentrification.
24. Working Partnerships USA. <i>Shared Prosperity and Inclusion: The Future of Economic Development Strategies in Silicon Valley</i> .	This report focuses on San Jose's economic development programs, suggesting avenues through which to more equitably distribute program benefits. The report focuses on governmental policies rather than individual development projects and as a result is not germane to evaluating impacts of the Wood Street Project. Moreover, while the report describes rising housing costs as a partial consequence of certain San Jose Redevelopment Agency Policies, it does not describe any physical impacts stemming from this change in the housing market.



Source	Comments on Cited Source
25. San Francisco Department of Public Health. <i>Displacement: The Toll on Human Health.</i>	This one page pamphlet describes various health impacts associated with displacement from ones place of residence and discusses health impacts of having a small social network. It also notes that displacement can occur as a result of demolition, redevelopment, and conversion of rental to ownership units. It does not describe or mention any casual link between development of new mixed income housing and residential displacement. It is therefore not relevant to evaluating whether the Wood Street Project would cause any health impacts to existing residents in West Oakland nor is it relevant to determining whether the Project would cause any physical impacts related to gentrification.

**3. The Mundie Report fails to discuss inclusionary housing requirements to help mitigate the project's impacts on displacement.**

**Response:** The comment repeats the same point raised during the public review of the Draft EIR. Master Responses 1 (see page 3-8) and 5 (see pages 3-48 through 3-53) in the Final EIR present information why affordable housing and inclusionary housing are not required to reduce impacts of the Project.

**4. The Mundie Report fails to adequately assess the feasibility of community-proposed project modifications.**

**Response:** This comment is identical to those raised during the review of the public review period. The commentors' proposals for hiring provisions and a labor agreement are not project alternatives in the CEQA sense that could reduce potentially significant impacts. They are social, economic, and policy choices that the City can make independent of the physical environmental effects studied in the EIR. The commentors' proposal for a community-serving space in the Train Station is consistent with the cultural resources mitigation measures proposed in Master Response 4 of the Final EIR. Specifically, Mitigation Measure CR-2.5 calls for, among other features, a community participation plan to specify the methods for obtaining input from the community on the preservation and reuse of the Main Hall. Further, Mitigation Measure CR-2.7 proposes that any reuse of the Main Hall incorporate exhibit space commemorating the site's cultural history and its function. This space could also serve as a venue for private and public events. Finally, the Plaza to be constructed in front of the Main Hall is intended to be a public open space, suitable for community-serving activities.



## **INCLUSIONARY HOUSING REQUIREMENTS AND OPTIONS FOR THE WOOD STREET DEVELOPMENT PROJECT**

The California Community Redevelopment Law (Health & Safety Code Section 33000, et seq.) requires redevelopment agencies to ensure that affordable housing is developed as part of any housing developed in a redevelopment project area.<sup>1</sup> For privately-developed housing, the law requires that at least 15% of all new and substantially rehabilitated housing units developed within a redevelopment project area must be affordable to low and moderate income households. At least 40% of these units (or 6% of the total) must be affordable to very low income households.

These housing obligations must be met by an agency for each project area over the life of the redevelopment plan, and for each 10-year period during the plan's life. The law requires that the five-year implementation plan for each project area include a plan to comply with these affordable housing requirements over the 10-year compliance period.

The law does not require that an agency impose the 15% obligation on each housing project (although the law and the OARB Redevelopment Plan permit the Agency to do this). Rather, the redevelopment agency is required to meet this obligation for the project area as a whole during the compliance period. If the requirements are not met during a 10-year compliance period, the agency must meet the goals on an annual basis until the requirements for the 10-year period are met. If the agency has exceeded the requirements, any excess units can be counted toward satisfying the requirements for the next 10-year period.

The Oakland Army Base (OARB) Redevelopment Plan was adopted in July, 2000, so the 10-year compliance period runs from 2000 to 2010. The current Implementation Plan for the Army Base Project Area expires in July of this year, so the Agency will need to adopt a new Implementation Plan this year that includes a plan showing how the Agency will comply with the affordable housing requirements through 2010.

The housing units developed as part of the Wood Street project will be included in the pool of privately-developed residential units within the OARB Project Area of which 15% must be affordable to low and moderate income families. Since the Wood Street project will develop a total of up to 1,557 new units, the obligation will be to provide up to 234 low and moderate income units, with 94 units affordable to very low income households. Redevelopment law provides several options to the Redevelopment Agency to ensure that the affordable housing obligations resulting from the Wood Street project are met. These options are as follows:

(1) Impose an inclusionary set aside of affordable units on the Wood Street project

This option can be required of the developers by the Agency. It would require the developers to set aside a portion of the units for sale or lease to qualified residents. The developers have stated that this option is not feasible given development costs and required return on investment. They have submitted an example of the financial impact of this inclusionary requirement as Attachment J in the April 12, 2005 staff report to the CED Committee.

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<sup>1</sup> The inclusionary requirement only applies to project areas adopted during or after 1976.

PROS	CONS
The agency would satisfy its requirement for providing 15% of all new units at affordable levels at no cost to it.	The project would not be financially feasible.
This is the only residentially designated land within the Army Base RDA to meet the affordable housing requirement.	

(2) Ensure that the required numbers of units are developed elsewhere within the OARB Project Area

This option would require adding additional residentially zoned land area to the OARB Project Area.

PROS	CONS
The agency would satisfy its requirement for providing 15% of all new units within the Army Base RDA.	The affordable units would be completely separate from the Wood Street development.
	There would be land acquisition and potential remediation and relocation costs on a site for moderate income units that the Agency would not incur if these units were incorporated within the subject project at no cost to the Agency.
	There would be land acquisition and potential remediation and relocation costs on a site for low to very-low income units that are unknown at this time, and which would probably be more than the cost of providing units within the project since nearby land prices are likely to escalate after approval of this project.
	Other industrial land nearby that would be the subject of residential conversion may be more contaminated and require more remediation, for example – the adjacent closed iron works site.
	Less industrial/commercial land would be available in the OARB for development.

(3) Ensure the required numbers of units are developed outside the OARB Project Area at a 2-to-1 ratio for each unit not provided within the OARB Project Area

This option could be used with the approval of the Agency.

PROS	CONS
	The affordable units would be completely separate from the Wood Street development.
	There would be land acquisition and potential remediation and relocation costs on a site for moderate income units that the Agency would not incur if these units were incorporated within the subject project at no cost to the Agency.
	There would be land acquisition and potential remediation and relocation costs on a site for low to very-low income units that are unknown at this time, and which would probably be more than the cost of providing units within the project since nearby land prices are likely to escalate after approval of this project.
	Another neighborhood may be resistant to accepting affordable units to serve the Wood Street area.
	Twice the subsidy would be needed because there are twice as many affordable units.
	Building twice as many affordable units than otherwise required may meet neighborhood resistance as some neighborhoods are reluctant to accept a concentration of affordable housing.

(4) Merge the OARB and West Oakland Project Areas to allow the obligation to be met across the merged area

Similar to Option (3), this would allow the Agency to meet all or a portion of the affordable housing obligation within a larger geographic area.

PROS	CONS
Funds from the Army Base and West Oakland could be spent throughout the entire area without respect to a boundary between the merged areas.	Merger is unnecessary since aggregation can accomplish the same result.
	Issues would be raised regarding the role of the West Oakland Project Area Committee and whether this West Oakland-oriented group should make recommendations on the Army Base redevelopment, which is also a city-wide issue.
	A major plan amendment would be needed to assemble these two areas, approximately one year of processing and hearing time, and about \$100,000. This expenditure is unnecessary and the same result could be accomplished by aggregation.

PROS	CONS
	There is no guarantee that any number of affordable units would be built in West Oakland to accommodate the need generated by the Wood Street development. This is because West Oakland has a surplus of affordable housing which, when merged with the Army Base plan area, would satisfy any need generated by construction of the Wood Street development.
	Intermingling the finances of these two areas will complicate future decisions regarding paying for infrastructure and major traffic improvements at the Army Base, as well as need for the Agency to prepare to pay off the \$8.2 million promissory note due on the Subaru site, if a development deal does not occur prior to November 2006.
	The proceeds generated from the Oakland Army Base reuse project are also subject to reinvestment restrictions by the Department of the Army for a seven-year timeframe and the use of proceeds generated from trust impressed lands is also restricted to trust eligible uses.

(5) Aggregate the number of affordable units required of the OARB Project Area with one or more other project areas upon findings that doing so would not cause or exacerbate racial, ethnic or economic segregation

This option would provide an even larger geographic area to be considered for meeting the affordable housing requirement.

PROS	CONS
The agency would satisfy its requirement for providing 15% of all new units at affordable levels.	There is no guarantee that any number of affordable units would be built in West Oakland to accommodate the need generated by the Wood Street development. This is because West Oakland has a surplus of affordable housing which, when merged with the Army Base plan area, would satisfy any need generated by construction of the Wood Street development.
	Issues would be raised regarding the role of the West Oakland Project Area Committee and whether this West-Oakland oriented group should make recommendations on the Army Base redevelopment, which is also a city-wide issue.
	Aggregation could further concentrate low income households in West Oakland.

**Table Affordable Housing Requirements With Aggregation Of Army Base And West Oakland And Construction Of Wood Street Project**

	Very Low Income Units	Low-Moderate Income Units	Market Rate Units	Total
Current West Oakland Production since Plan Adoption	95	71	122	288
Current West Oakland Requirement for affordable housing	6% of 288 = 17	9 % of 299 = 26	--	--
Current West Oakland affordable housing deficit or surplus	78 surplus	45 surplus	--	--
Units available to satisfy Wood Street Requirement	78	45		
Wood Street generated requirements (based on 1500 unit development)	90	135	1275	1500
Wood Street Proposal to meet requirements on site	90	127	--	--
Deficit under current proposal	none	8	--	--
Effect of Aggregation on housing requirements	With aggregation, only 12 additional very low income units would be required after counting the 78 surplus units in West Oakland	Aggregation would allow 8 of the 45 surplus low-moderate income units in West Oakland to be used to satisfy the Wood Street requirement.	--	--





**Financial and Appraisal Information Associated  
with Development Costs for Wood Street Zoning  
District Development Area 6  
(Submitted by BUILD)**

- **Cover letter from BUILD dated April 19, 2005**
- **Addendum Letter from Carneghi-Blum Partners, Inc., Real Estate Appraisers dated April 7, 2005**
- **Letter from BBI Construction dated March 31, 2005 regarding a preliminary construction budget for the public plaza in front of the 16<sup>th</sup> Street Train Station**
- **Letter from BBI Construction dated March 15, 2005 regarding Signal Tower renovation and platform demolition costs**
- **Memo from Conley Consulting Group dated April 19, 2005 entitled “16<sup>th</sup> Street Station Baggage Wing Reuse Feasibility”**



## Stanzione, Margaret

**From:** Robert Stevenson [rstevenson@bridgehousing.com]  
**Sent:** Tuesday, April 19, 2005 5:17 PM  
**To:** Claudia Cappio (E-mail); Stanzione, Margaret  
**Cc:** Carol Galante; Cecily T. Talbert (E-mail); Cooper, Marie A.; Andrew Getz  
**Subject:** Wood Street background materials regarding DA6

Claudia and Marge,

Attached please find enclosed materials for inclusion in the public record regarding the Wood Street Project. An attached cover letter from BUILD describes the attachments and provides a detailed description of development costs associated with Development Area 6.

Additional enclosed materials are as follows:

- (1) Addendum Letter from Carneghi-Blum Partners, Inc., Real Estate Appraisers dated April 7, 2005.
- (2) BBI Construction letter dated March 31, 2005 regarding a preliminary construction budget for the public plaza to be located in front of the 16<sup>th</sup> Street Station.
- (3) BBI Construction letter dated March 15, 2005 regarding Signal Tower renovation and platform demolition costs.
- (4) Memorandum from Conley Consulting Group dated April 19, 2005 entitled "16<sup>th</sup> Street Station Baggage Wing Reuse Feasibility."

Let me know if you have any questions regarding the enclosed materials. Hard copies have been sent to your office as well.

Robert Stevenson  
Project Manager  
BUILD, LLC  
345 Spear Street, Suite 700  
San Francisco, CA 94105  
p. 415 989-1111 f. 415 321-3591  
[rstevenson@bridgehousing.com](mailto:rstevenson@bridgehousing.com)



**BUILD**

April 19, 2005

Ms. Claudia Cappio  
Director of Planning  
Community and Economic Development Agency  
City of Oakland  
250 Frank Ogawa Plaza, Suite 3315  
Oakland, CA 94612

RE: Wood Street Project, Background Information Regarding Development Area 6

Dear Ms. Cappio,

As a follow-up to my letter dated February 28, 2005 regarding the economic infeasibility of retaining the Baggage Wing and the full width of the Elevated Tracks west of the 16<sup>th</sup> Street Station, please find additional information below regarding development costs for Wood Street Zoning District Development Area 6 reported in my previous letter as well as the following related attachments concerning development costs and station reuse issues:

- (1) Addendum Letter from Carneghi-Blum Partners, Inc., Real Estate Appraisers dated April 7, 2005. The letter establishes market value for the Development Area 6 property at the time of acquisition in December 2002 at \$28-\$29 per SF, well above the price of \$23 per SF paid by BUILD for the site. The letter also establishes that BUILD's 10% internal rate of return required on its investment is less than the average acceptable rate of return seen on the market for projects with similar risk profiles.
- (2) BBI Construction letter dated March 31, 2005 regarding a preliminary construction budget for the public plaza to be located in front of the 16<sup>th</sup> Street Station.
- (3) BBI Construction letter dated March 15, 2005 regarding Signal Tower renovation and platform demolition costs.
- (4) Memorandum from Conley Consulting Group dated April 19, 2005 entitled "16<sup>th</sup> Street Station Baggage Wing Reuse Feasibility." The Conley memorandum analyzes the feasibility of revenue generating uses supporting the costs of renovation for the baggage wing by itself as well as in combination with the main hall. The memorandum finds that despite utilizing Historic Preservation Tax Credits and New Markets Tax Credits, under both scenarios the highest revenue generating uses fall short of supporting sufficient funds to pay for renovation, with a feasibility gap of \$1.9 million for the baggage wing alone and \$11.1 million for the combined baggage wing and main hall. The Conley memorandum contains the following additional

attachments: (a) BBI Construction station and baggage wing renovation cost estimates dated August 20, 2004; (b) BBI Construction baggage wing cost estimate letter dated March 24, 2005 for commercial and residential reuse scenarios; (c) Pyatok Architects baggage wing residential reuse drawing dated March 7, 2005; and (d) Pyatok Architects letter dated March 29, 2005 regarding baggage wing reuse.

Listed below are the costs BUILD estimates it will cover in connection with the development of Development Area 6. BUILD is an affiliate of BRIDGE Housing Corporation, an entity with over 20 years of housing development experience throughout the Bay Area including a number of development projects located in West Oakland. BUILD has a broad base of development experience to draw from in providing cost estimate and other development information. Whenever possible, cost estimates have been provided by outside sources as well.

(a) Land acquisition cost of \$3,056,534. The total acquisition cost for the 17.7 developable acres owned by BUILD within the Wood Street Zoning District was \$17,776,157. Development Area 6, at 3.04 acres, represents a 17.2% share of this total acquisition cost which places its individual acquisition cost at \$3,056,534. Land acquisition cost per square foot for the site was approximately \$23.

(b) Entitlements costs of \$278,000. Entitlements costs include design services, civil engineering, city processing fees, topic specific environmental review analyses and Environmental Impact Report preparation and production, legal services, and additional processing costs. Total entitlements costs for the Wood Street Zoning District are currently \$2.4 million. Based on a total developable land area of 26.18 acres within the Zoning District, Development Area 6 represents an 11.6% share of the entitlement costs for the district for a total of \$278,000. Final entitlement costs for Development Area 6 will be in excess of this amount.

(c) Signal Tower renovation costs of \$35,000. Find attached a letter from BBI Construction dated March 15, 2004 confirming that first phase improvements to the Signal Tower are estimated to cost at least this amount. Final Signal Tower renovation costs will include scope items beyond those considered in BBI's estimate and will therefore be in excess of this amount.

(d) Plaza improvement costs of \$114,000. Plaza improvement costs will be shared among all of the development sites within the Wood Street Zoning District. Find attached letter from BBI Construction dated March 31, 2005 estimating total plaza improvement costs at \$980,100. Based upon its 11.6% share of the 26.18-acre total developable land area, Development Area 6 is responsible for a total of \$114,000.

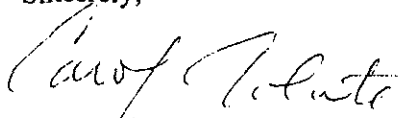
(e) Costs to demolish the baggage wing and partial elevated tracks of \$200,000. Find attached letter from BBI Construction dated March 15, 2004 confirming that demolition is estimated to cost at least this amount. If Redevelopment Agency funds were allocated toward retention of the Baggage Wing structure then this cost would be reduced based on a reduced scope of required demolition work.

(f) Design and analysis costs for restoration of the Main Hall of \$75,000. Based upon BUILD's estimate of costs to complete the range of studies agreed to under the Wood Street Project's Conditions of Approval. Studies to be undertaken are finance, management, community participation, development and business plans for the station renovation and reuse along with analysis of materials salvage and recordation of existing structures. Schematic designs for the station structure will be completed as well. BUILD's estimate is based upon experience with consultant costs for similar undertakings.

Additional ongoing carrying and stabilization costs (insurance, property taxes, weatherproofing, security and the like) are not included as development costs as they are roughly offset by intermittent rental income for use of the site.

Please let me know if you have any questions regarding the enclosed materials.

Sincerely,

A handwritten signature in cursive script, appearing to read "Carol Galante".

Carol Galante  
BUILD West Oakland, LLC





April 7, 2005

Ms. Cecily Talbert  
Bingham McCutchen LLP  
1333 N. California Blvd., Suite 210  
P.O. Box V  
Walnut Creek, California 94596-1270

Re: 05-ASF-030, **Addendum Letter**  
to Appraisal of Land at  
Wood Street Project Area  
West Oakland, California

Dear Ms. Talbert:

In a report dated February 17, 2005 Carneghi-Blum & Partners, Inc. provided you with an appraisal of land in the Wood Street Project area in West Oakland. The appraisal report is referenced as 05-ASF-030 and is incorporated into this letter by reference. Throughout the balance of this letter reference to the appraisal or appraisal report refers the original document (05-ASF-030). The subject site of that appraisal is 3.04 acres of land located on the west side of Wood Street between the future extensions of 16<sup>th</sup> and 18<sup>th</sup> Streets and south of the Frontage Road. On the Vesting Tentative Map 8554 the land appraised is identified as Parcel 3. (A smaller subset of the larger parcel totaling 1.64 acres was also valued in the appraisal and is a portion of Parcel 3.) At your instructions, the subject property was appraised under two development scenarios as indicated in the draft Environmental Impact Report (EIR).

The market value conclusions of the fee simple interest in the land appraised with an effective date of value of February 4, 2004 as reported in the appraisal are reproduced as follows:

***Value Conclusions of Appraisal Report***

*In conclusion, based on the research and analyses in this appraisal report, and subject to the limiting conditions and assumptions contained herein, it is our opinion that the market values of the fee simple interest in the subject properties, as of February 4, 2004, is estimated as follows:*

<i>Scenario B- 1.64 acres</i>	<i>(\$37 per Square Foot of Land)</i>	<i>\$2,640,000</i>
<i>Scenario C - 3.04 acres</i>	<i>(\$35 per Square Foot of Land)</i>	<i>\$4,630,000</i>

You have now asked that we address two related issues relative to the subject property.

1. **The subject property land was acquired by BUILD in December 2002 at a price of approximately \$23 per square foot; is this price at or less than market value for that point in time?**
2. **Is an internal rate of return (discount rate) of 10 percent market oriented for undertaking the land development risks of the subject project?**

Each of these issues is addressed in the following subsections of this letter.

**I. Value of the Land in December 2002**

The subject property land, 3.04 acres in size, was acquired as part of a larger purchase of 17.776 developable acres in December 2002 for approximately \$23 per square foot. At the time of purchase the subject did not have residential development approvals (i.e. there were no entitlements). In the appraisal report a table of land comparable sales was included which formed the basis for analyzing the value of the subject property. Those sales were adjusted for various factors including time in arriving at a value conclusion for the subject in February 2005 of \$35 per square foot. The same adjustment table can be used to arrive at a value conclusion for the subject as of December 2002. Both the comparable land sales table and the re-adjusted adjustment grid are attached with this letter.

The comparable residential land sales ranged in price from approximately \$28.00 to \$50.00 per square foot. Most of these land sales closed escrow in 2003 and 2004 but many of these same comparables were sold (i.e. put under contract) in 2002 and it is the earlier date that is most relevant to market conditions. Given overall appreciation in the residential market values were lower in 2002 than in 2005. In the appraisal, the comparables sold in 2002 were adjusted up by 20% for market conditions, in other words a sale in 2002 was judged to be 20% more valuable in 2005. To arrive at a value indication for the property in December 2002 this adjustment is reversed, i.e. no adjustment is necessary for market conditions for comparables sold in 2002. All other adjustments to the comparables remain the unchanged, i.e. the location, size, use and the like remain the same. For comparables 1 and 2 the time adjustments are also reversed. For sale 1, which is a current dated sale, rather than the no market timing adjustment in the original appraisal the comparable is adjusted downward by 20% to reflect the market conditions of 2002. For comparable 2 the adjustment is down 15% rather than up 5% as in the original appraisal.

The adjusted comparables show value indications for the subject ranging from generally \$27 to \$34 per square foot of land area. Comparables 1, 3 and 7 are most similar to the subject in location and show a consistent range of \$28 to \$29 per square foot.

**Based on this analysis it is concluded that the acquisition price of the subject at \$23 per square foot of land area in December 2002 was at or below the market value of the property at that time.**

## **II. Internal Rate of Return (Discount Rate)**

The Wood Street project is an urban reuse residential land development. Land development is typically considered to be a risky investment usually without certainty as to the timing or the extent of the return of or on capital invested. The risks can be numerous and include those of obtaining entitlements and market demand. In an urban reuse area such as Wood Street additional risks can include environmental contamination and market acceptance of the location. Nonetheless, land development is a standard category of real estate activity and can be highly profitable if successfully completed. The rate of return, or profit, in real estate development is often measured by a standard called an "internal rate of return" or a "discount rate" which measures the rate of return over the life of the project. Discount rate can be defined as "The internal rate of return in an all-cash transaction, based on annual year-end compounding."

A standard industry reference source for various real estate rates of return is the Korpacz Real Estate Investor Survey published by the PriceWaterhouseCoopers accounting firm. Attached to this letter are selected pages from the Korpacz survey for the Fourth Quarter 2004, the most recent available. The category most closely relating to the Wood Street project is National Development Land Market. Within this category the survey asks land development participants their expectations or requirements for discount rates (internal rates of return) for land development undertakings. As presented on page 35 of the Korpacz report, the survey shows a range of discount rates from 11.00% to 25% with an average of 18.05% for land development. This range assumes entitlements are in place; discount rates for projects that lack entitlements are typically increased between 300 and 500 basis points according to the survey. This data is for the national market as a whole and consideration needs to be given to the specifics of the subject property in the Bay Area.

In considering a discount rate for the subject Wood Street project several factors are weighed. The housing market has been very strong for most of the last eight years and market demand robust. This is, however, tempered by the somewhat pioneering location of the subject in West Oakland, an urban area in transition where private sector housing demand is largely untested and therefore has greater uncertainty. Also, the entitlement process is generally more expensive and complicated in the Bay Area than in much of the rest of the country which increases risk; this also must be tempered by the overall greater desirability and demand of the Bay Area. Weighing these factors suggests an market oriented discount rate, or internal rate of return, for the subject would be within the range of the national market Korpacz survey but likely at the lower end. Considering that the

subject property was purchased without entitlements, the low end of the Korpacz rate of return would be 14 to 16% (11% plus 300 to 500 basis points for the lack of entitlements).

**Hence, it is the conclusion of this analysis that an internal rate of return of 10 percent is less than a market oriented rate of return for undertaking the land development risks of the subject Wood Street project.**

### **III. Purpose, Scope, Date of Valuation, Definition**

#### **A. Client, Purpose, Intended Use and Intended User of Appraisal**

The client for this addendum letter to appraisal 05-ASF-30 is Ms. Cecily Talbert of Bingham McCutchen LLP. The purpose of this addendum letter is to address the two issues discussed above concerning market value of the land in December 2002 and the internal rate of return. It is our understanding that the intended use/user for this appraisal is for the exclusive use by Bingham McCutchen and their client for assistance in decisions relating to approvals and funding of the Wood Street Project including review by the local government agencies. *This report should not be used or relied upon by any other parties for any reason.*

#### **B. Scope of Appraisal**

The scope of this appraisal report is to utilize the appropriate research and analysis in accordance with Uniform Standards of Professional Appraisal Practice (USPAP) to arrive at the conclusions stated. Specific steps include the inspection of the subject property and the research and analysis of comparable data to arrive at value indications as put the following report.

#### **C. Type of Appraisal and Reporting Format**

This is an Addendum Letter to the original complete appraisal in a summary report.

#### **D. Appraisal Dates**

The effective date of valuation is February 4, 2005.

The date of this Addendum Letter is April 7, 2005

#### **E. Definition of Terms**

**I. Market Value (OCC 12 CFR 34.42 (g)) (OTS 12 CFR, Part 564.2 (g))**

“Market Value” means the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeably and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- a. Buyer and seller are typically motivated;
- b. Both parties are well informed or well advised, and acting in what they consider their own best interest;
- c. A reasonable time is allowed for exposure in the open market;
- d. Payment is made in terms of cash in US dollars or in terms of financial arrangements comparable thereto; and
- e. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

2. **Fee Simple Interest** (*The Appraisal of Real Estate, 11th Edition, 1996, p.137*)

A fee simple interest in valuation terms is defined as “... absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.” It is an inheritable estate.

**IV. Limiting Conditions**

1. The subject property is currently improved with an older industrial building as well as elevated train tracks and baggage wing. These improvements are planned to be removed and it is an assumption of this appraisal that the subject is in vacant unimproved condition.
2. The concluded value of the subject property in this report assumes that the property is free and clear of any toxic contamination.
3. It is the client's responsibility to read this report and to inform the appraisers of any errors or omissions of which he/she is aware prior to utilizing this report or making it available to any third party.

4. No responsibility is assumed for legal matters. It is assumed that title of the property is marketable and it is free and clear of liens, encumbrances and special assessments other than as stated in this report.
5. Plot plans and maps are included to assist the reader in visualizing the property. Information, estimates, and opinions furnished to the appraisers, and contained in the report, were obtained from sources considered reliable and believed to be true and correct. However, no responsibility for accuracy of such items furnished the appraisers is assumed by the appraisers.
6. All information has been checked where possible and is believed to be correct, but is not guaranteed as such.
7. The appraisers assume that there are no hidden or unapparent conditions of the property, subsoil, or structures, which would render it more or less valuable. The appraisers assume no responsibility for such conditions, or for engineering which might be required to discover such factors. It is assumed that no soil contamination exists as a result of chemical drainage or leakage in connection with any production operations on or near the property.
8. In this assignment, the existence (if any) of potentially hazardous materials used in the construction or maintenance of the improvements or disposed of on the site has not been considered. These materials may include (but are not limited to) the existence of formaldehyde foam insulation, asbestos insulation, or toxic wastes. The appraisers are not qualified to detect such substances; the client is advised to retain an expert in this field.
9. The appraisers are not required to give testimony or appear in court in connection with this appraisal unless arrangements have been previously made.
10. *Possession of this report, or a copy thereof, does not carry with it the right of publication. It may not be used for any purpose by any person other than the party to whom it is addressed without the written consent of the appraisers, and in any event only with the proper written qualification, only in its entirety, and only for the contracted intended use as stated herein.*
11. Neither all nor part of the contents of this report shall be conveyed to the public through advertising, public relations, news sales, or other media without the written consent and approval of the appraisers, particularly as to the valuation conclusions, the identity of the appraisers, or any reference to the Appraisal Institute or the MAI designation.

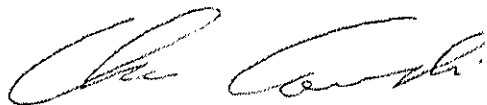
**V. Certification of Appraisers**

We, the undersigned, hereby certify that, to the best of our knowledge and belief: the statements of fact contained in this report are true and correct; the reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions; we have no present or prospective interest in the property that is the subject of this report, and we have no personal interest with respect to the parties involved; we have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment; our engagement in this assignment was not contingent upon developing or reporting predetermined results, our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal; the appraisal assignment was not based on a requested minimum valuation, a specific valuation, or the approval of a loan; our analyses, opinions and conclusions were developed, and this report has been prepared in conformity with the Uniform Standards of Professional Appraisal Practice, Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute, and is in compliance with FIRREA; Chris Carneghi has made a personal inspection of the property that is the subject of this report; no one provided significant real property appraisal assistance to the persons signing this certification. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives. As of the date of this report Chris Carneghi has completed the requirements under the continuing education program of the Appraisal Institute. In accordance with the Competency Provision in the USPAP, we certify that our education, experience and knowledge are sufficient to appraise the type of property being valued in this report.

We are pleased to have had this opportunity to be of service. Please contact us if there are any questions regarding this appraisal.

Sincerely,

CARNEGHI-BLUM & PARTNERS, INC.



Chris Carneghi, MAI  
Certified General Real Estate Appraiser  
State of California No. AG001685





## COMPARABLE RESIDENTIAL LAND SALES

Appraisal of: Wood Street Project  
Oakland, California

#	Location/ APN#	Contract Date/ Sale Date	Sale Price	Land Area	Price Per SF	# Units Proposed/ DU/AC	Price Per Proposed Mkt Unit	Grantor / Grantee (Doc. #)	Comments
1	2303-2317 Market St 2242-2310 Myrtle St Oakland APN: 005-0431-015-3, -11, -12, -024 thru -028	COE 5/05	\$1,562,500	31,250 SF 0.72 AC	\$50.00	29 40	\$53,879	Orton JR 3rd & Libitzky Holdings/ NA	Mixed zoning of residential on Myrtle St. Commercial on Market St.
2	2400 MacArthur Blvd Oakland APN: 029-0993-020-01	7/03 3/04	\$2,200,000	48,339 SF 1.11 AC	\$45.51	80 72	\$27,500	Chou Yuming + Yufong Tr/ Domus Properties #132178	Existing motel bldg. Purchased for site in vacant condition. Planned for 80 senior resid units.
3	Mandela and 32th St Oakland APN: 007-0587-002-05	12/02 9/03	\$2,766,000 \$24,000 (4) <u>\$666,436</u> (5) <b>\$3,456,436</b>	110,642 SF 2.54 AC	\$31.24	90 35	\$38,405	Jeffery & Nada Sibley/ Ettie Street LLC NA	Mixed neighborhood of industrial and residential developments. Approvals and under construction
		3/04	\$45,000	2,148 SF 0.05 AC	\$20.95	1	\$45,000	Union Pacific Railroad & Burlington Northern/ Ettie Street LLC	Corner triangular piece. Assemblage with adjacent parcel will allow 1 lot to project
4	1370 7th St Oakland APN: 004-0067-022	4/02 12/03	\$825,000 <u>\$45,000</u> (1) <b>\$870,000</b>	26,804 SF 0.62 AC	\$32.46	23 37	\$37,826	Douglas & Carleen Green/ Oakland Housing Authority & Bridge #713077	Irregular site on Mandela Pkwy Assemblage with adjacent parcel, which contain a total of 188 units.
5	3041 Ford St Oakland (Animal Shelter) APN: 025-0666-002	9/02 7/03	\$1,400,000 <u>\$456,000</u> (1) <b>\$1,856,000</b>	50,000 SF 1.15 AC	\$37.12	81 71	\$22,914	City of Oakland/ Signature Properties #445604	Planned for 81 condo units. Incl entitlements & conditional use permits. No affordable units.
6	2893 Glascock St. Oakland APN: 025-0674-001, -003 & 025-0675-002	1/02 6/03	\$5,227,763 \$1,000,000 (2) <u>\$260,000</u> (3) <b>\$6,487,763</b>	130,216 SF 3.0 AC (net)	\$49.82	100 33	\$64,878	John & Charlene Weber/ Signature Properties	Planned for 100 stacked townhouse units. Will close with entitlements. No affordable units
7	Wood Street bwt 14th and 16th Street APN: 0000-0310-012	12/02	\$6,904,520	246,590 SF 5.66 AC	\$28.00	450 80	\$15,343	Holiday Development/ HFH Central Station Village	Not entitled, seeking entitlements for 450 units, but plans to build approx. 340 units at a density of 60 units per acre.
	<b>Subject</b> Wood St. Project Between 16th and 18th St. Oakland			132,422 SF 3.04 AC		215 71			
	<b>Notes:</b>			71,438 SF 1.64 AC		215 131			

(1) Estimated demolition costs.

(2) Remediation costs.

(3) Shoreline remediation (BCDC)

(4) Contract extension options

(5) Demolition and Lead removal

Source: Carnegi-Blum and Partners, Inc., February 2005

05-osf-030, sc- 03-030land

**COMPARABLE LAND SALE ADJUSTMENT GRID - DECEMBER 2002 PURCHASE**

Appraisal of Wood Street Project- Development Scenario C

Oakland, California

**Subject Development Scenario C**

132,422

3.04

	Sale 1	Sale 2	Sale 3	Sale 4	Sale 5	Sale 6	Sale 7
Address:	2303-2317 Market St 2242-2310 Myrtle St Oakland	2400 MacArthur Blvd Oakland	Mandela and 32th St Oakland	1370 7th St Oakland	3041 Ford St Oakland	2893 Glascock St. Oakland	Wood Street between 14th and 16th Oakland
Land Area	31,250	48,339	110,642	26,804	50,000	130,216	246,550
Sale Date:	5/05 - COE	3/04	9/03	12/03	7/03	6/03	12/02
Transaction Price:	\$1,562,500	\$2,200,000	\$3,456,436	\$870,000	\$1,856,000	\$6,487,763	\$6,903,389
Unadjusted Price/Sq. Ft.:	\$50.00	\$45.51	\$31.24	\$32.46	\$37.12	\$49.82	\$28.00
Financing Terms:	0%	0%	0%	0%	0%	0%	0%
Conditions of Sale:	-5%	0%	0%	0%	0%	0%	0%
Adjusted Sale Price:	\$1,484,375	\$2,200,000	\$3,456,436	\$870,000	\$1,856,000	\$6,487,763	\$6,903,389
Adjusted Price/Sq. Ft.:	\$47.50	\$45.51	\$31.24	\$32.46	\$37.12	\$49.82	\$28.00
Market Conditions:	-20%	-15%	0%	0%	0%	0%	0%
Price Adj. For Mkt. Cond.	\$38.00	\$38.69	\$31.24	\$32.46	\$37.12	\$49.82	\$28.00
Location:	-10.00%	-15.00%	-5.00%	-5.00%	-10.00%	-25.00%	0.00%
Size:	-5.00%	-5.00%	0.00%	-5.00%	-5.00%	0.00%	0.00%
Use:	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Site Utility	-5.00%	0.00%	-5.00%	0.00%	-5.00%	-5.00%	-5.00%
Investment Size	-5.00%	0.00%	0.00%	-5.00%	-5.00%	0.00%	0.00%
Entitlements	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	10.00%
Total Adjusted %:	-25.00%	-20.00%	-10.00%	-15.00%	-25.00%	-30.00%	5.00%
Adjusted SF Value for the Subject:	\$28.50	\$30.95	\$28.12	\$27.59	\$27.84	\$34.88	\$29.40

Price P.S.F. - Value Range: \$27.59 - \$34.88

Value Conclusion (PER SF):- \$27.50

Value Conclusion - \$3,641,605

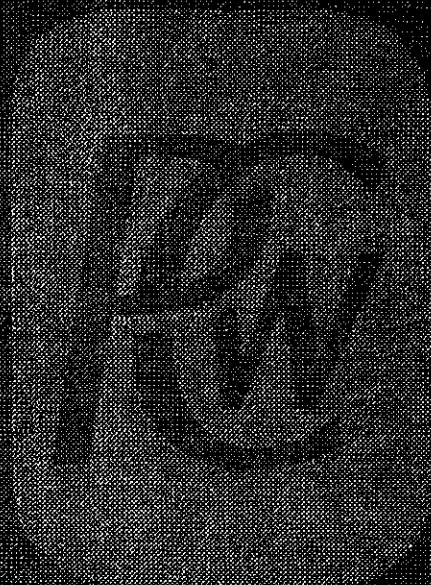
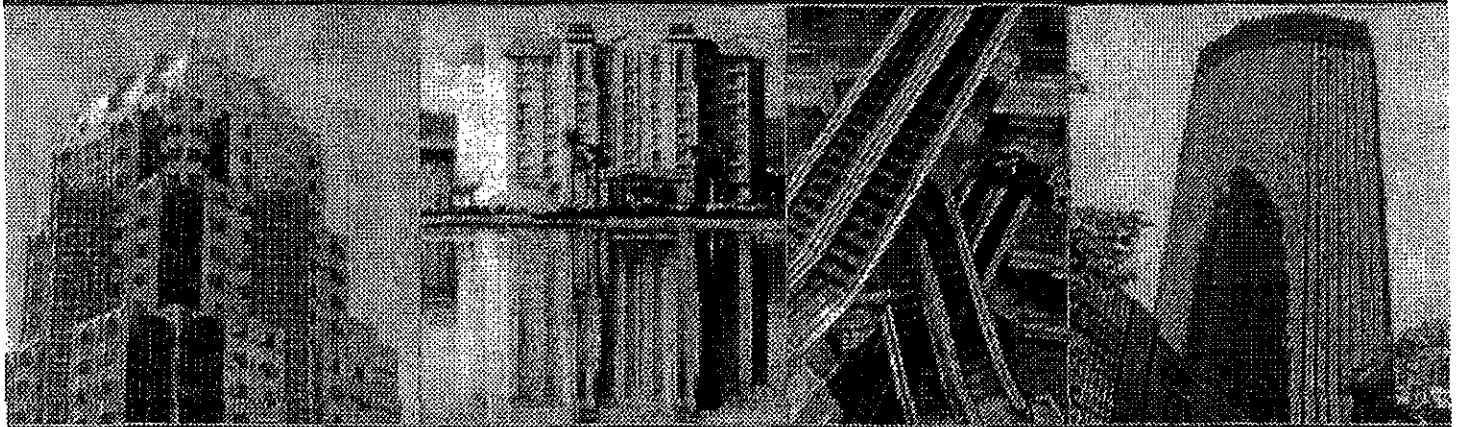
Rounded Value Conclusion	3.04 acres	\$3,640,000
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Source: Carneghi-Blum and Partners, Inc.

05-ASF-030-Addendum Letter April 2005, 05030 adj

PRICEWATERHOUSECOOPERS 

# KORPACZ REAL ESTATE INVESTOR SURVEY®



Fourth Quarter 2004

Dear Reader:

It's hard to believe that 2005 is just around the corner. Doesn't it seem like only yesterday that much of the country was focused on "Y2K"? Much has transpired in the real estate industry since the new millennium – the dot.com shakeout, numerous high-profile mergers, record-breaking sale prices and deal volume, the aftermath of September 11th, the national recession, and the long-awaited start of an economic recovery. What will 2005 bring? Read our lead story "2005 Opens With Increasing Optimism" to find out what participants expect in terms of fundamentals and the economy, as well as where they anticipate investment opportunities.

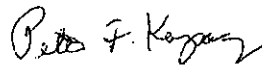
More insight into the coming year can be found by reading this quarter's *Real Estate Capital Markets* column, authored by Robert White, president of Real Capital Analytics, Inc. Bob's column focuses on the shifts that are occurring in the capital markets due to rising interest rates. It also provides information on the increasing presence of private REITs, tenant-in-common (TIC) syndicates, and condo converters – three new sources of capital that merit attention.

A growing economy and improving industry fundamentals are prompting some developers to start new projects. Is it too soon? Read our semiannual analysis of the *National Development Land Market* to find out where the best land investments are likely to occur within each property sector – retail, office, industrial, apartment, and single-family.

Don't forget to read our new *Industry News* page, which touches on some of the most recent and notable events in the real estate industry. It's located on page 66 in the back of this issue.

As we head into 2005, we wish you and yours a happy holiday season and a healthy and prosperous new year. Here's to continued improvement in the industry!

Sincerely,



Peter F. Korpacz  
Editor-in-Chief

# National Development Land Market

AS THE U.S. ECONOMY SHOWS SIGNS OF SUSTAINABLE GROWTH AND THE REAL ESTATE INDUSTRY'S UNDERLYING FUNDAMENTALS DEMONSTRATE SLOW-BUT-STEADY IMPROVEMENT, SOME DEVELOPERS ARE PREPARING FOR THE INEVITABLE UPSWING BY PLANNING NEW PROJECTS AND SCOUTING MARKETS FOR OPPORTUNITIES. "It doesn't happen overnight, so we are looking now to get some projects out of the ground next year in certain warehouse markets," shares a participant. Despite the majority belief that brighter days lie ahead for the real estate industry, only a handful of markets are currently able to digest additions to supply. "Things are improving, but they are happening very slowly," sighs another.

Of the four main property sectors – retail, office, warehouse, and apartment – only retail is in relative equilibrium. In contrast, several office, apartment, and warehouse markets are still oversupplied and will take some time to stabilize. With the exception of the apartment sector, however, numerous investors note that construction levels in both the office and warehouse sectors have been quite subdued recently. "There is some construction activity going on, but it is way down from prior years," attests a participant.

Although the industry's construction pipeline will likely gain momentum once stronger absorption trends materialize, rising construction costs could keep it from expanding too quickly. "The rising cost of steel, lumber, and concrete is enough to make developers think twice," comments a participant. Such an occurrence could have a positive impact on the industry's fundamentals. "If less supply is added to the existing inventory at the same time that demand for space and absorption levels

pick up then fundamentals may tighten up more quickly," explains another.

## OPPORTUNITIES

Even though fundamentals are improving in the four main sectors of the real estate industry, development opportunities are only marginally opening up within each one. As a result, some development land investors are looking "outside the box" for opportunities. "During the recession, and the years that followed, we moved away from the mainstream development of warehouse and now focus on niche, specialty development land opportunities," reveals a participant.

Some of the best opportunities for development over the near term include second-home building, housing for active seniors, and urban mixed-use projects. The following highlights for these "best bets" were extracted from *Emerging Trends in Real Estate® 2005*, published by PricewaterhouseCoopers and the Urban Land Institute.

## SECOND-HOME BUILDING

*The bulging demographic age cohort looks to retirement options now that children have left the nest. At peak earning years with more disposable income, this graying tide focuses on waterfront communities, mountain resort communities, and relaxing getaway hideaways. The best locations for the development of resort/second homes include small college towns in the temperate southeast and anywhere just outside a two-hour drive around major metropolitan areas.*

## HOUSING FOR ACTIVE SENIORS

*While a premature investment wave in the mid-1990s hit the skids, active senior communities – age-restricted townhouses/apartment/villa developments –*

*have begun to gain traction. These projects satisfy graying suburbanites who want easier lifestyles but resist move-back-in trends. They focus on golf and fishing, not on rocking chairs and elder care.*

## URBAN MIXED-USE PROJECTS

*These developments require strong retail and large residential components to ensure success. Though they are difficult to pull off, revived districts that can offer a strong sense of place experience increased market demand. This category ranks highest for investment prospects in the Emerging Trends survey among specialty property types.*

## OVERALL TOP-TEN MARKETS

Markets that offer the best prospects for commercial/multifamily development for the coming year are listed in Table DL-1. Many of these markets feature the best supply/demand balances.

## PROPERTY TYPES

### Retail

The retail sector continues to maintain a

**TABLE DL-1  
TOP-TEN MARKETS  
FOR COMMERCIAL/MULTIFAMILY  
DEVELOPMENT**

	Ranking*
1. Washington, DC	6.34
2. Riverside/San Bernardino	6.13
3. San Diego	5.83
4. Orange County	5.81
5. Los Angeles County	5.69
6. Fort Lauderdale/ West Palm Beach	5.68
7. New York City	5.68
8. Northern Virginia	5.66
9. Maryland Suburbs	5.54
10. Las Vegas	5.51

\* On a scale of 0 (abysmal) to 10 (outstanding)  
Source: *Emerging Trends in Real Estate® 2005*,  
published by PricewaterhouseCoopers LLP and the  
Urban Land Institute

**TABLE DL-2  
WAREHOUSE CONSTRUCTION  
STARTS**

Quarter	000s Sq. Ft.
Second 2002	28,504
Third 2002	37,449
Fourth 2002	28,659
First 2003	28,860
Second 2003	32,340
Third 2003	32,687
Fourth 2004	27,837
First 2004	24,520
Second 2004	37,086
Third 2004	29,828

Source: Property & Portfolio Research

a tremendous amount of apartment construction is South Florida, where almost 14,100 units are targeted for delivery in 2004, according to M/PF Research, Inc. High amounts of new construction are also occurring in Southern California, where home prices have soared.

Areas that may present some of the best opportunities for apartment development include Long Island, San Diego, Philadelphia, and Central New Jersey. On the other hand, some investors suggest shying away from development in Atlanta, Dallas, and Houston, where occupancy rates continue to suffer.

#### Single-family

Subtle increases in interest rates have done little to stifle homeownership demand for starter homes, upgraded residences, second homes, and vacation properties. As a result, single-family residential construction remains very robust. Preliminary findings indicated that 1.64 million single-family housing starts occurred in October 2004, according to the U.S. Census Bureau. This figure is 0.1% above October 2003 and 5.72% above the prior month's estimate.

One potential problem for this segment is that homeownership levels have soared to an all-time high, hitting 69.0%

in the third quarter of 2004, according to the U.S. Census Bureau. In addition, rising construction costs are pushing up new home prices. Not all homebuyers, however, are negatively affected by rising prices. Affluent and high-income individuals will likely continue to generate demand for second homes and vacation getaways in the coming year.

#### DISCOUNT RATES

Free-and-clear discount rates including developer's profit range from 11.00% to 25.00% and average 18.05% this quarter (see Exhibit L-1). The rates shown assume that entitlements are in place. Discount rates for projects that lack entitlements are typically increased between 300 and 500 basis points; the average increase is 375 basis points. This range and average are also down from our last report on this market segment. An insufficient number of responses prevented us from reporting discount rates subject to financing this quarter.

#### ABSORPTION PERIOD

The absorption period required to sell an entire project varies significantly depending on such factors as location, size, and property type. This quarter, preferred absorption periods for participants ranged from 12 to 240 months. The mean absorption period is 62.0 months, or 5.2 years, unchanged over the past year.

#### FORECAST ASSUMPTIONS

##### Growth Rates for Lot Prices and Expenses

Growth rates for lot pricing vary due to local market conditions. Participants report an overall range from 0.0% to 10.0% with a mean of 3.1%. Over the near term, 50.0% of participants forecast lot prices to increase at the rate of inflation. By comparison, 40.0% of them project increases greater than inflation,

while the remainder expects increases less than inflation. Inflation growth rate assumptions range from 0.0% to 3.0% and average 1.9%.

The ranges and averages for the reported expense growth rates are shown in Exhibit L-2.

#### OUTLOOK

As the growing strength of the U.S. economy spills over into the real estate industry, an increasing number of development land opportunities will arise across all property types. Although some opportunities exist now, they are in select markets and are for select property types. In addition, they are still difficult to identify since positive recovery trends have only recently started. In the coming year, developers will likely keep a close watch on the U.S. economy, market performances, and construction economics in order to prepare for new projects. †

Exhibit L-2

GROWTH RATES FOR DEVELOPMENT EXPENSES	
CAPLST	FOURTH QUARTER 2004
<b>Infrastructure</b>	
RANGE	2.50% - 5.00%
AVERAGE	3.75%
<b>Amenities</b>	
RANGE	2.50% - 5.00%
AVERAGE	3.75%
<b>Advertising</b>	
RANGE	2.50% - 3.00%
AVERAGE	2.90%
<b>Real Estate Taxes</b>	
RANGE	1.00% - 3.00%
AVERAGE	2.50%
<b>Administrative</b>	
RANGE	2.50% - 10.00%
AVERAGE	4.50%
<b>Contingency</b>	
RANGE	2.00% - 5.00%
AVERAGE	3.50%
<b>Other</b>	
RANGE	2.50% - 3.00%
AVERAGE	2.83%

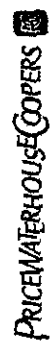
# NATIONAL DEVELOPMENT LAND MARKET—INVESTOR SURVEY RESPONSES\*

## Fourth Quarter 2004

	PROPERTY ACQUISITION		DEVELOPMENT		FINANCING		MARKETING		
	Years	Int. Procs.	Development Costs	CPY	Fees & Clear	Subject to Financing	Range	Average	Months
<b>DEVELOPER/BROKER</b> Primary method of pricing is comparable sales; analysis is prepared subject to financing; project size ranges from 3 to 720 acres; value of land currently under development totals \$700 million; development is concentrated in Northwestern suburban Chicago.	1 to 5	100%	Based on a % of specific line item	4.0%	11.00%	15.00%	8.0% to 12.0%	10.0%	36 to 48
<b>DEVELOPER</b> Primary method of pricing is comparable sales; analysis is prepared subject to financing; project size ranges from 10 to 300 acres; value of land currently under development totals \$45.0 million; development is concentrated in the Western United States.	1 to 5	3.0%	3.0%	—	\$15.00	—	4.0% to 6.0%	5.0%	12 to 24
<b>DEVELOPER</b> Primary method of pricing is comparable sales; analysis is prepared first and clear of financing; project size ranges from 50 to 250 acres; value of land currently under development totals \$30 million; development is concentrated in the Midwest region of the United States.	1 to 20	2.5%	2.5%	2.5%	15.00%	20.00%	0.0%	—	360
<b>DEVELOPER/INVESTOR</b> Primary methods of pricing are DCF and comparable sales; analyses are prepared first and clear of financing; project size ranges from 5 to 150+ acres; development is concentrated in Chicago, California, and Texas.	1 to 5	Less than 2%	3.0% to 5.0%	3.5%	15.00% to 18.00%	—	Stable	—	42 to 66
<b>DEVELOPER</b> Primary method of pricing is comparable sales; analysis is prepared subject to financing; value of land currently under development is between \$500 and \$1000 million; development is concentrated in Arizona and California.	1 to 5	Varies	3.0%	3.0%	20.00%	20.00% minimum	5.0%	—	24 to 72
<b>DEVELOPER</b> Uses pricing method other than DCF or comparable sales; analysis is prepared first and clear of financing; project size is 10 acres; value of land currently under development totals \$7.0 million; development is concentrated in the Midwest region of the United States.	5 to 70	12.0%	Based on a % of revenue	—	20.0%	—	9% to 12.0%	—	21
<b>DEVELOPER</b> Primary method of pricing is bulk sales analysis; project size is 1,500 acres; value of land currently under development totals \$550.0 million; development is concentrated in the San Francisco Bay area and Sacramento and Bakersfield, California.	1 to 5	More than 2%	—	75.0%	—	10.0%	20.0%	—	2 to 3

\*Representative sample due to space constraints; not all responses are included.

Source: Research conducted by  
PricewaterhouseCoopers LLP during October 2004.



# Definitions

## GENERAL

### CHANGE RATE

Annual compound rate of change

#### *Market Rent*

Achievable current rent if vacant

#### *Expenses*

Total property expenses

### DISCOUNT RATE (IRR)

Internal rate of return in an all-cash transaction, based on annual year-end compounding

### EXCESSIVE TENANT IMPROVEMENT ALLOWANCE<sup>3</sup>

The amount by which an awarded tenant improvement allowance exceeds that which is typical for the market

### FORECAST PERIOD<sup>1</sup>

A presumed period of ownership; a period of time over which expected net operating income is projected for purposes of analysis and valuation

### INSTITUTIONAL-GRADE REAL ESTATE

Real property investments that are sought out by institutional buyers and have the capacity to meet generally prevalent institutional investment criteria

### KORPACZ DIVIDEND INDICATOR (KDI)

A composite OAR average of the surveyed markets excluding net lease and lodging

### KORPACZ YIELD INDICATOR (KYI)

A composite IRR average of the surveyed markets excluding net lease, lodging, and development land

### MARKETING TIME

The period of time between the initial offering of a property for sale and the closing date of the sale

### NET OPERATING INCOME (NOI)

Income remaining after deduction of all property expenses. In direct capitalization, investors capitalize one of the following:

1. NOI after capital replacement reserve deduction but before TIs and leasing commissions
2. NOI before capital replacement reserve deduction, TIs, and leasing commissions

3. Cash flow after capital replacement reserve deduction, TIs, and leasing commissions

### OVERALL CAPITALIZATION RATE (OAR)

Initial rate of return in an all-cash transaction

### RENT SPIKE

An increase in market rent that is markedly higher than the general rate of inflation

### REPLACEMENT COST<sup>1</sup>

The cost of construction, at current prices, of a building having utility equivalent to the building being appraised but built with modern materials and according to current standards, design, and layout

### RESERVE

Amount allocated for periodic replacement of building components during a property's economic life

### RESIDUAL

Estimated total price at conclusion of forecast period

#### *Cap Rate*

Overall capitalization rate used in calculation of residual price; typically applied to the NOI in the year following the forecast

#### *Selling Expense*

Transaction expenses (legal, brokerage, marketing, etc.) paid by the seller

### RESPONDENT TYPE

Classification of survey participants into descriptive categories (e.g., domestic pension fund, REIT, investment advisor)

### SHADOW SPACE

Space within an occupied office suite that is not currently utilized by a tenant and is also not being marketed for subleasing

### STRUCTURAL VACANCY

Normal vacancy rate in a balanced market

### VACANCY ASSUMPTIONS

#### *Months Vacant*

The number of months a space remains unleased at the expiration of a vacating tenant lease

#### *Tenant Retention*

Percentage of leased rentable area that is expected to be released by the existing tenants at lease expiration

### *Underlying Vacancy/Credit Loss*

Percentage of total revenue uncollected due to unexpected vacancy or credit loss (in addition to any rent loss from vacancies at lease expirations)

## APARTMENT

### NET OPERATING INCOME (APARTMENT NOI)

Income remaining after deduction of all property expenses (which includes leasing commissions); in direct capitalization, investors capitalize one of the following:

1. NOI after capital replacement reserve
2. NOI before capital replacement reserve
3. Cash flow after capital replacement reserve

## DEVELOPMENT LAND

### DEVELOPMENT LAND

Land that has been purchased, readied for subdivision development (i.e. entitlements and infrastructure), and subsequently sold to builders

### DEVELOPER'S PROFIT<sup>1</sup>

A market-derived figure that reflects the amount a developer expects to receive for his or her contribution to a project

## GOLF

### NET INCOME MULTIPLIER<sup>1</sup>

The relationship between price or value and net operating income expressed as a factor; the reciprocal of the overall rate

### MANAGEMENT FEES

Generally defined as either fixed or incentive (based on a percentage of either NOI or gross income); most common is a combination of the two; the complexity of the club, as well as the size of the facility, influences the fee charged

## INDUSTRIAL

### FLEX/R&D<sup>3</sup>

An industrial property with 14- to 20-foot clear ceiling heights, up to 100.0% finished office space including lab and clean-room space (up to 60.0% finished office space excluding lab and clean-room space), and dock-high and/or grade-level loading used

Various sources for these definitions include <sup>1</sup>The Dictionary of Real Estate Appraisal, Third Edition, published by The Appraisal Institute, <sup>2</sup>International Council of Shopping Centers, <sup>3</sup>Investor Interviews, and <sup>4</sup>Smith Travel Research.



**BBI CONSTRUCTION**  
1155 Third St. Suite 230  
Oakland, CA 94607  
Tel (510) 286-8200  
Fax (510) 286-8210  
License No. 767890



March 31, 2005

Robert Stevenson  
BUILD West Oakland, LLC  
345 Spear Street, Suite 700  
San Francisco, CA 94105

Re: 16<sup>th</sup> Street Plaza Costs  
Oakland, CA

Dear Robert:

Per your request, we are submitting a preliminary construction budget figure for the above referenced project. This cost reflects an average figure which may be higher or possibly lower depending on the design and materials selected for the 32,670 square foot plaza. The preliminary budget amount is \$980,100 based upon a per square foot cost of \$30.

This estimate includes the following scope of work: site grading, paving, hardscape improvements and landscaping.

These costs are based on BBI Construction historical records and are approximate only, having been made prior to completed design documents or review by the city of Oakland. This cost does not include soft costs (architecture, engineering, utility, and permit fees), and no hazardous material allowances have been included.

We appreciate this opportunity to provide you with a preliminary cost estimate for the renovation of this historical structure.

Sincerely,

A handwritten signature in cursive script, appearing to read 'Nancy Guinther', is written in black ink.

Nancy Guinther  
VP of Business Development

**BBI CONSTRUCTION**

1155 Third St. Suite 230  
Oakland, CA 94607  
Tel (510) 286-8200  
Fax (510) 286-8210  
License No. 767890



March 15, 2005

Robert Stevenson  
BUILD West Oakland, LLC  
345 Spear Street, Suite 700  
San Francisco, CA 94105

Re: 16<sup>th</sup> Street Station – Adjacent Demolition and Signal Tower Cost Estimates  
Oakland, CA

Dear Robert:

Per your request, we have preliminarily estimated the minimum cost for completion of two components related to the 16<sup>th</sup> Street Station project: 1) demolition of the baggage wing building and elevated track structures to the north and west of the Main Hall, and 2) first stage renovations to the Signal Tower building. The demolition cost is estimated to be at least \$200,000 and the first phase of Signal Tower renovation is estimated to be at least \$35,000.

This estimate includes the following scope of work for the demolition of the baggage wing and elevated tracks: removal of baggage wing (approximately 9,000 SF) and track structure (approximately 18,000 SF – including a portion of approximately 4,500 SF above the baggage wing) including paving and foundations. This estimate assumes that a portion of the track structure measuring approximately 3,500 SF would remain adjacent to the Main Hall.

The estimate for Signal Tower renovation cost covers the following scope of first phase work: boarding up of windows and repair of roof as necessary to secure against the elements, repainting of building exterior, signage, and securing of entrance. This amount does not include seismic upgrades if needed, window and sill replacements, interior work, site work, or exterior renovation to historic standards.

These costs are based on BBI Construction historical records and are approximate only, having been made prior to completed design documents or review by the city of Oakland. We appreciate this opportunity to provide you with a preliminary cost estimate.

Sincerely,

A handwritten signature in black ink, appearing to read 'Nancy Guinther', is written over a light blue horizontal line.

Nancy Guinther  
VP of Business Development



## Conley Consulting Group

### MEMORANDUM

April 19, 2005

**To:** BUILD West Oakland, LLC  
**Attn:** Robert Stevenson

**From:** Conley Consulting Group  
Denise Conley, Jay Barmann

**cc:** Andrew Getz

**Subject:** 16th Street Station Baggage Wing Reuse Feasibility

Conley Consulting Group (CCG) has been retained by BUILD West Oakland to analyze the financial feasibility of a reuse scenario for the 16th Street Train Station facility in West Oakland, California. The Train Station is located in West Oakland on a site that formerly served as the terminal for both transcontinental passengers and local commuters. The Station property and surrounding sites, collectively referred to as the Wood Street Projects, are now proposed for mixed-use development including both for-sale and rental residential units, incidental retail and service space, and restoration of the train station building.

This analysis examines the financial feasibility of rehabilitating the Main Hall and Baggage Wing of the Train Station for a development which would take advantage of Historic Preservation and New Markets Tax Credits in order to help cover capital costs.

This analysis identifies a conceptual range of uses for a rehabilitated Main Hall and Baggage Wing, estimates achievable rents, and calculates the financial feasibility of rehabbing the building for these purposes. The actual market feasibility of the proposed uses is assumed, but not analyzed herein.

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10747.004 REVISED Baggage Wing Feasibility

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## I. SUMMARY OF CONCLUSIONS

This analysis examines the feasibility of rehabilitating the Main Hall and Baggage Wing for adaptive reuse. Potential uses examined for the building include institutional, office, retail, and residential. Since office, retail, and residential uses have the greatest market potential, these were combined in a conceptual mix for the property, in order to maximize potential for revenue. The scenario was then tested for financial feasibility in terms of the ability to support capital costs with a range of available financing mechanisms, including conventional debt and equity, Historic Preservation Tax Credits (HPTC) and New Markets Tax Credits (NMTC). In order to understand the feasibility of the Baggage Wing in isolation, we also analyzed the development costs, operating income, and financing sources for the Baggage Wing alone.

For this market-rate leasing scenario, the rehabilitation of the Train Station, including the Baggage Wing, is financially infeasible without additional public subsidy, and has a feasibility gap of about \$11.1 million. This feasibility gap does not include the cost to acquire the site.

The rehabilitation of the Baggage Wing alone for use as live/work residential has a feasibility gap of \$1.9 million.

The Main Hall and Wing together have the potential to generate a HPTC of about \$3 million, of which \$650,000 is attributable to the Baggage Wing. A project funded with HPTC would be ineligible for funding with tax exempt bonds, but could utilize taxable bonds supported by project-generated property tax increment, if such an approach is supported by the Redevelopment Agency. Use of taxable bonds instead of tax exempt bonds would result in a reduction in bond proceeds available to support the rehabilitation.

The project could also be eligible for New Markets Tax Credits. Equity investment supported by the combination of HPTC and NMTC would contribute 125% of the value of the HPTC, for a total of roughly \$3.8 million.

## II. PROJECT DESCRIPTION

The 16th Street Train Station consists of a central, main structure about 50 feet tall and containing approximately 12,000 SF of usable space, known as the General Waiting Room (or Main Hall), flanked by symmetrical, lower wings to the north and south. The Baggage Wing extends to the north of the northern symmetrical wing of the Main Hall. An elevated concourse—the remainder of the elevated streetcar tracks that ran above the main rail line—runs along the entire west side of the Station, extending beyond the Station to the north and south. Original plans indicate that the entire complex was constructed at one time, between 1910 and 1912.

Project sponsors have proposed making the Main Hall available for rehabilitation and adaptive reuse, funding construction of a 0.75 acre plaza in front of the Station, retaining and restoring the historic signal tower, and making other improvements to the site.

This analysis looks at the financial feasibility of retaining and rehabilitating the Main Hall and Baggage Wing using conventional funding sources in conjunction with Historic Preservation Tax Credits and New Markets Tax Credits.

### **III. POTENTIAL USES**

For the purposes of this analysis, and in order to better understand the financial viability of rehabilitating the Main Hall and Baggage Wing, we have taken a "highest and best use" approach that, while not excluding the potential for non-profit users, assumes that the building would be developed for lease to commercial and residential tenants at market-rate rents.

#### **Commercial Uses**

For the Main Hall, where foot traffic in the ultimate development is most likely to be drawn to a commercial use, CCG examined several mixes of uses, including incidental retail, restaurant, office, and non-profit uses. We have used the gross square footages found in EIR of 14,847 for the Main Hall and 8,887 for the Baggage Wing. For commercial reuse of the Main Hall, we have assumed a 10% efficiency allowance for dividing walls and common area, for a net rentable area of 13,362 SF (see Table 3).

After consulting with a retail broker familiar with the area, we concluded that incidental retail in the form of a café operated by an entity such as Starbucks, Peet's or a local entrepreneur, would likely be the most successful early retail tenant for the development. Additionally, we have added a 3000 SF restaurant, which, while not necessarily feasible at this location in the near term, could be leased by a local entrepreneur and potentially find success with a generous tenant improvement allowance and rent concessions. Given that this is an isolated location and an unproven one for retail use, larger retail users are not likely to be feasible in the near term without an anchor tenant.

Office use is also a likely a component of any market-rate reuse scenario, and we have imagined the Main Hall to include three large office spaces of 1800 SF each and four smaller offices of 900 SF each. These offices could be combined or subdivided as tenants wish, and will likely have to be rented with generous tenant improvement allowances.

The most likely and feasible commercial use for the Baggage Wing is also market-rate office, which would likely command higher rental rates than retail, and would also require significant rent concessions and generous tenant improvement allowances in order to achieve full occupancy. However, because live/work residential in the Baggage Wing would command higher rents and create less of a feasibility gap, this is the scenario used for this analysis.

#### **Residential Use**

Pyatok Architects prepared conceptual drawings in March 2005 that imagine the Baggage Wing renovated and subdivided into nine live/work units with small mezzanine levels built into each (see drawing in Appendix B). In this concept, a main access corridor is added down the center of the building, and modifications are made to existing fenestration to accommodate emergency egress.

After taking field measurements, and after further consideration, Pyatok Architects prepared a March 24 letter that states that, given variations in ceiling heights and dropped beams, the second-level mezzanines initially proposed are "probably not feasible." (See letter in Appendix

B.) We have therefore assumed that these units are 800 SF each, with a 19% efficiency allowance for the hallway and dividing walls, for a net of 7,200 SF rentable.

Due to restrictions in the use of Historic Preservation Tax Credits (e.g., the Tax Credit investor must retain ownership of the property), we have assumed that these units will necessarily have to be for rent and not for sale.

#### IV. FEASIBILITY TEST

##### A. METHODOLOGY

To determine feasibility, we have evaluated whether there are adequate resources to support the development costs of the whole Station, and of the Baggage Wing in isolation. Though rehabilitation and reuse of the Baggage Wing would necessarily be part of the larger project of rehabilitating the entire Train Station, for this analysis we isolate the costs, potential operating income, and funding sources available for the Baggage Wing alone, in addition to those for the project as a whole.

For rehabilitation of the Train Station, there will need to be sufficient resources to support the following levels of costs:

- **Shell and core construction costs** which include the structural and seismic retrofit work, interior upgrades, and, in the case of the residential, adjustment of exterior openings to provide emergency egress. Because a mezzanine level in the Baggage Wing will likely not be feasible given code requirements for headroom, we have assumed the residential units to be one level only.
- **Specific tenant improvements** for office and retail use, to meet the commercial user requirements including interior walls, lighting, and electrical and plumbing distribution costs.
- **Building operating costs** appropriate for long-term asset management.

##### B. PROJECT COSTS

###### Land and Entitlement Costs

For the purpose of this analysis, we have assumed no land acquisition cost and looked solely at the feasibility of rehabilitating the Baggage Building alone.

###### Capital Costs: Main Hall & Baggage Wing

In August 2004, BUILD commissioned BBI Construction to prepare a cost estimate for rehabilitating the 16th Street Train Station by component (included as Appendix A). These costs reflect the badly deteriorated state of the existing structure, and assume upgrade of the Main Hall to U.S. Department of the Interior standards. Table 2 shows that development costs for rehabilitating the Main Hall and Baggage Wing are \$16 million. We assume that after

efficiency allowances the net rentable area would be 20,562 SF, and therefore rehabilitation of the Station would cost approximately \$783 per rentable square foot.

In order to better illustrate these costs, CCG broke out the indirect costs at 20% of direct costs, which were originally included in BBI's estimates as part of the total costs. CCG also made several adjustments to the cost estimates. We added a 5% contingency allowance on direct costs. We added the cost of property taxes during construction, calculated at 60% of the total costs, at a tax rate of 1.3% over an 18-month construction period. We have assumed financing costs on a construction loan of the same amount supportable by net operating income at 7.5%.

### **Capital Costs: Baggage Wing as Live/Work Residential**

Pyatok Architects was commissioned by BUILD in March 2005 to provide a conceptual drawing of a potential layout of live/work residential units in the Baggage Wing (see Appendix B). It is assumed that nine units of approximately 800 SF each would fit in the space, with the remaining space used for dividing walls and a central corridor providing access to the units. In total, this represents 7,200 SF of rentable space.

In their letter of March 24, 2005, BBI suggests that for upgrading to residential reuse, the estimated costs for rehabbing the Baggage Wing for commercial use should be adjusted up 45 to 50%. Conservatively, we have used the 45% figure, making total development cost for live/work residential \$3.4 million after contingency allowance, property taxes, financing costs, and construction cost escalation (see Table 2). This represents a cost of \$478/SF rentable for the Baggage Wing alone.

### **Tenant Improvements**

After speaking to a commercial broker familiar with the area who suggests that significant incentives will have to be given in order to bring retail and office tenants to this isolated area, we have assumed tenant improvement (TI) costs at \$40 per square foot rentable in the Main Hall, and added these to the capital costs of the project.

### **Building Operating Costs**

Table 5 presents an estimate of the annual operating costs of the Baggage Handling Building once rehabilitated. CCG developed these estimates from a review of operating costs of other buildings, and specifically from documented expenses of an Oakland office building. Because of the unusual configuration of the building, and the upkeep commensurate with preservation and possible landmark status, as well as the building's adjacency to the Main Hall Building which will likely contain more public-serving uses, we have assumed operating costs at \$8/SF for both commercial and residential uses. This assumes that residential rents will include utilities and that commercial rents will be full service.

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## **C. FUNDING SOURCES**

### **Operating Income**

Table 4 shows the potential operating income from the Main Hall and Baggage Wing.

For the Baggage Wing, we have assumed a rent of \$1,200 per live/work unit, or \$1.50/SF, which is aggressive relative to comparable rents for an adjacent, comparable development, and given the relatively small size and lack of fenestration in the proposed units. With a vacancy rate of 5%, and operating costs of \$8/SF, the potential net operating income of the Baggage Wing alone is approximately \$75,000.

For the Main Hall, we have used supportable office rents of \$1.25 and \$1.35 (for larger and smaller spaces, respectively), and \$1.00/SF for the restaurant and café, based on a discussion with local brokers and rents at comparable commercial spaces in the local area (Table 8 shows lease comparables). It is likely that to achieve these rents in this isolated location, significant rent concessions would have to be provided, along with the tenant improvement allowances discussed above. Also because of the location, we have assumed an average vacancy of 10%, for a net operating income of \$116,000 for the entire Station.

### **Conventional Loan**

The project's net operating cash flow is used to support a conventional permanent loan. The loan is sized at a 1.25 debt service coverage ratio, and a 7.5% interest rate. A construction loan is sized by the same criterion. The loan supportable would be approximately \$1 million for the whole Station and \$665,000 for the Baggage Wing alone (see Tables 1 and 7).

### **Conventional Equity**

The residual net cash flow (after debt service payments) is used to support an equity investment. The equity supportable is based on a 20% return-to-equity threshold. The equity supportable would be approximately \$146,000 for the whole Station, and \$95,000 for the Baggage Wing alone (see Tables 1 and 7).

CCG does not conclude that an investor would be willing to assume the risks of project ownership given the small amount of cash available to equity, and the small amount of equity supportable.

### **Historic Preservation Tax Credits**

The 16th Street Train Station is potentially eligible for HPTC, and therefore, investors seeking to use the tax credits that can be generated by the Project may be a potential source of capital for the project. Tax law provides a 20% tax credit for qualified rehabilitation costs of historic structures. Typically investors will purchase an interest in the property at about 95% of the value of the credit (the yield rate). Tax credits could provide about \$3 million of additional funding for the project, of which the Baggage Wing's "share" would be approximately \$650,000 (see Table 6).



For the purposes of this analysis, we assume that HPTC will provide a source of funds to the project. It remains to be seen whether rehabilitation of the Station would qualify for certification under the Secretary of the Interior standards for HPTC, and several factors complicate the use of the credits here:

- Historic tax credits will require a tax paying entity to own the project for at least five years subsequent to rehabilitation, and this precludes what would be the highest and best use (and likely most feasible use) of the Baggage Wing, which is for-sale residential lofts.
- Renovation for residential use would necessitate accommodation for emergency egress that could potentially alter the existing window and/or door configurations and thereby disqualify the building for certification for HPTC.

#### **New Markets Tax Credits**

New Markets Tax Credits (NMTC) are potentially available to supplement the HPTC to help bridge the feasibility gap. CCG spoke with a syndicator of tax credits at Bank of America, who suggested that the credits are often combined and valued at 125% of the value of the HPTC alone. The total potential equity available from the combined credits is roughly \$3.8 million, of which \$800,000 would be derived from the Baggage Wing (see Table 6).

#### **D. FEASIBILITY ASSESSMENT**

Table 1 shows, given the capital costs estimated and the potential funding sources available, that rehabilitation of the Main Hall and Baggage Wing for market-rate use will result in a feasibility gap of \$11.1 million.

The Baggage Wing alone, if rehabilitated for live/work residential use, will result in a feasibility gap of \$1.9 million.



**TABLE 1**  
**FINANCIAL FEASIBILITY**  
**BAGGAGE WING FEASIBILITY**  
**BUILD WEST OAKLAND LLC.**

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	<u>Whole Station - Main Hall &amp; Baggage Wing</u>	<u>Baggage Wing Only as Live/Work</u>
Capital Cost	\$16,100,650	\$3,442,167
Less: Financing Sources		
<i>Conventional Loan Supportable</i>	(\$1,021,764)	(\$665,153)
Conventional Equity Supportable	(\$146,430)	(\$95,323)
HPTC and New Markets Tax Credit	(\$3,823,904)	(\$817,515) <sup>1</sup>
<b>Feasibility Gap</b>	<b>\$11,108,552</b>	<b>\$1,864,176</b>

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Source: Conley Consulting Group, April 2005

Notes:

<sup>1</sup> Only the portion attributable to the Baggage Handling Building.

**TABLE 2  
DEVELOPMENT COSTS  
BAGGAGE WING FEASIBILITY  
BUILD WEST OAKLAND LLC.**

	<b>Main Hall &amp; Baggage Wing</b>	<b>Baggage Wing as Live/Work*</b>
Net Rentable Square Feet	20,562	7,200
<b>Direct Costs</b>		
Main Hall -- Upgrade Shell and Exterior	\$4,622,818	
Main Hall -- Upgrade Interior	3,942,383	
Baggage Wing --- Upgrade Shell and Exterior	1,374,687	1,374,687
Baggage Wing -- Upgrade Interior	1,099,750	1,099,750
Subtotal Building Costs	11,039,638	2,474,437
Tenant Improvement Allowances (@ \$40/SF) <sup>1</sup>	534,480	
<b>Total Direct Costs</b> <sup>2</sup>	<b>11,574,118</b>	<b>2,474,437</b>
<b>Indirect Costs</b> (@ 20% of Direct Costs)	2,314,824	494,887
Contingency <sup>3</sup>	5%	578,706
Property Taxes During Construction	376,159	80,419
Total Before Financing	14,843,806	3,173,465
Financing Costs <sup>4</sup>	1,256,843	268,701
<b>Total Development Cost</b>	<b>16,100,650</b>	<b>3,442,167</b>
Average Cost of Development per Rentable SF	\$783	\$478

Sources: BBI Construction Estimate dated August 20, 2004; BBI letter amending that estimate dated March 24, 2005; Conley Consulting Group.

**Notes**

\* A scenario was also considered in which the Baggage Building was reused as market-rate office, however the achievable rents for office space are lower than those for residential, and the net operating income for live/work made this scenario more feasible.

<sup>1</sup> Assumes tenant improvements provided for office and retail space only. This allowance was suggested by a broker familiar with the area and with local retail and office users.

<sup>2</sup> These costs are according to the BBI Estimate of 8/20/04 (which per conversation with N. Guinther on 4/14/05, includes code flexibilities allowed under State Historic Building Code. Costs for finished residential units are adjusted up 45% as per BBI's suggestion in their letter of 3/24/05. Original BBI numbers included indirect costs, but here we have separated them.

<sup>3</sup> Contingency is estimated at 5% of the hard costs.

<sup>4</sup> Assumes construction loan at same amount supportable by NOI (see Table 6).

**TABLE 3  
BREAKDOWN OF RENTABLE AREA  
BAGGAGE WING FEASIBILITY  
BUILD WEST OAKLAND LLC.**

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<b>Gross Building Area (SF)</b>	
Main Hall	14,847
<u>Baggage Wing</u>	<u>8,887</u>
Total	23,734

<b>Net Rentable Area (SF)</b>	
Main Hall <sup>1</sup>	13,362
<u>Baggage Wing <sup>2</sup></u>	<u>7,200</u>
Total	20,562

<b>Proposed Uses - Conceptual Mix</b>	<b>Qty</b>	
Main Hall		
Restaurant	1	3,091
Retail (Café)	1	1,271
Large Office (1800 SF)	3	5,400
Small Office (900 SF)	4	3,600
Subtotal		13,362
Baggage Wing		
Live/Work Lofts (800 SF)	9	7,200
<b>Total Rentable SF for Uses</b>		<b>20,562</b>

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Source: Conley Consulting Group, April 2005

**Notes**

- <sup>1</sup> Assumes a 10% allowance demised for common space and dividing walls. This estimate is conservatively low given the area of existing bathrooms and hallways in the historic structure.
- <sup>2</sup> The design and size of these units was determined in a conceptual drawing by Pyatok Architects. The design assumes 19% allowance demised for hallways and dividing walls, and unusable space, and that mezzanine development is not feasible, as per the architects' letter of 3/29/05.

**TABLE 4  
NET OPERATING INCOME  
BAGGAGE WING FEASIBILITY  
BUILD WEST OAKLAND LLC.**

<b>CCG Estimate</b>							
	Units	Unit SF	Total SF	Rent Per Unit	Monthly Rent	\$/SF	Annual Rent
Live/Work Loft	9	800	7,200	\$1,200	\$10,800	\$1.50	\$129,600
Restaurant	1	3,091	3,091	\$3,091	\$3,091	\$1.00	\$37,092
Large Office	3	1,800	5,400	\$2,250	\$6,750	\$1.25	\$81,000
Small Office	4	900	3,600	\$1,215	\$4,860	\$1.35	\$58,320
Retail (café) <sup>1</sup>	1	1,271	1,271	\$1,271	\$1,271	\$1.00	\$15,252
<b>Total/Average</b>			<b>20,562</b>		<b>\$26,772</b>	<b>\$1.30</b>	<b>\$321,264</b>
<b>Gross Potential Income - Baggage Wing as Live/Work</b>							<b>\$129,600</b>
Less: Vacancy & Bad Debt (at 5%)							(\$6,480)
Effective Gross Income - Baggage Wing							\$136,080
Less: Operating Expenses (at \$8 /SF) <sup>3</sup>							(\$60,696)
<b>Net Operating Income - Baggage Wing as Live/Work</b>							<b>\$75,384</b>
<b>Gross Potential Income - Main Hall &amp; Baggage Wing</b>							<b>\$321,264</b>
Less: Vacancy (at 10%)							(\$32,126)
Effective Gross Income							\$289,138
Less: Operating Expenses (at \$8 /SF)							(\$173,338)
<b>Net Operating Income - Whole Station</b> <sup>4</sup>							<b>\$115,800</b>

Source: Conley Consulting Group, April 2005

<sup>1</sup> Assumes a café tenant such as Starbucks or Peet's or local entrepreneur, which a retail broker familiar with the area believes would be the most feasible retail tenant.

<sup>2</sup> Isolates Baggage Wing income only.

<sup>3</sup> Assumes residential operating costs equal to commercial, given the unusual building configuration.

<sup>4</sup> Includes Baggage Wing.

**TABLE 5  
OPERATING COSTS  
BAGGAGE WING FEASIBILITY  
BUILD WEST OAKLAND LLC.**

<b>Utilities</b>	<b>Per SF*</b>	<b>Cost of Whole Station</b>	<b>Cost of Baggage Wing Alone</b>
Gas	\$ 0.15	\$ 3,084.35	\$ 1,333.05
Electric	\$ 2.16	\$ 44,414.57	\$ 19,195.92
Rubbish Disposal	\$ 0.30	\$ 6,168.69	\$ 2,666.10
Water & Sewer	\$ 0.11	\$ 2,261.85	\$ 977.57
<b>Subtotal Utilities</b>	<b>\$ 2.72</b>	<b>\$ 55,929.46</b>	<b>\$ 24,172.64</b>
<b>Maintenance</b>	<b>\$ 3.18</b>	<b>\$ 65,388.11</b>	<b>\$ 28,260.66</b>
<b>Real Estate Taxes</b>	<b>\$ 1.65</b>	<b>\$ 33,927.80</b>	<b>\$ 14,663.55</b>
<b>Insurance</b>			
Property/Liability Insurance	\$ 0.57	\$ 11,720.51	\$ 5,065.59
Umbrella Policy	\$ 0.06	\$ 1,233.74	\$ 533.22
Workman's Comp Insurance	\$ 0.01	\$ 205.62	\$ 88.87
<b>Subtotal Insurance</b>	<b>\$ 0.64</b>	<b>\$ 13,159.87</b>	<b>\$ 5,687.68</b>
<b>Management &amp; Administrative</b>	<b>\$ 0.24</b>	<b>\$ 4,934.95</b>	<b>\$ 2,132.88</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 8.43</b>	<b>\$ 173,340.19</b>	<b>\$ 74,917.41</b>

Source: Conley Consulting Group, April 2005

\* Adjusted from documented 2003 operating expenses for an Oakland office building.

**TABLE 6  
TAX CREDIT CALCULATION  
BAGGAGE WING FEASIBILITY  
BUILD WEST OAKLAND LLC.**

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		<b>Main Hall &amp; Baggage Wing</b>	<b>Baggage Wing as Live/Work</b>
<b>Historic Preservation Tax Credit Calculation</b>			
Total Costs Eligible for Credit		16,100,650	3,442,167
Amount of Credit	20%	3,220,130	688,433
Investor Payment	95%	3,059,123	654,012
<b>New Markets Tax Credit Calculation</b>			
Value of HPTC		3,059,123	654,012
Total With NMTC Enhancement	125%	3,823,904	817,515
<b>Total Equity Available <sup>1</sup></b>		<b>3,823,904</b>	<b>817,515</b>

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Source: Conley Consulting Group, April 2005

<sup>1</sup> As per Claudia Robinson, Bank of America.



**TABLE 7  
CONVENTIONAL DEBT & EQUITY SUPPORTABLE  
BAGGAGE WING FEASIBILITY  
BUILD WEST OAKLAND LLC.**

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**WARRANTED INVESTMENT**

<b>Supportable Debt - Baggage Wing as Live/Work</b>		
#1	Net Operating Income	\$75,384
	Funds Available For Debt Service (1.20 DSC)	\$62,820
	Loan Supportable	7.5%, 30 yrs \$741,928
#2	Value at Completion	\$886,871
	Conventional Loan Supportable	75% LTV \$665,153
	Conventional Loan	<b>\$665,153</b>
	Debt Service on Perm. Loan	\$56,319
	Supportable Equity	
	Cash Flow after Debt	\$19,065
	Equity Supportable (20% ROE)	<b>\$95,323</b>
	Warranted Investment	
	Max Conventional Loan	\$665,153
	Equity	\$95,323
	<b>Total Warranted Investment - Baggage Wing Only</b>	<b>\$760,476</b>
<b>Supportable Debt - Whole Station</b>		
#1	Net Operating Income	\$115,800
	Funds Available For Debt Service (1.20 DSC)	\$96,500
	Loan Supportable	7.5%, 30 yrs \$1,139,702
#2	Value at Completion	\$1,362,352
	Conventional Loan Supportable	75% LTV \$1,021,764
	Conventional Loan	<b>\$1,021,764</b>
	Debt Service on Perm. Loan	\$86,514
	Supportable Equity	
	Cash Flow after Debt	\$29,286
	Equity Supportable (20% ROE)	<b>\$146,430</b>
	Warranted Investment	
	Max Conventional Loan	\$1,021,764
	Equity	\$146,430
	<b>Total Warranted Investment - Whole Station</b>	<b>\$1,168,194</b>

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Source: Conley Consulting Group, April 2005

**TABLE 8  
COMMERCIAL LEASE COMPS  
BAGGAGE WING FEASIBILITY  
BUILD WEST OAKLAND LLC.**

Use Location	Size SF	Monthly Rent/SF	Rent Type	Tenant Pays Cam Taxes and Insurance Repair & Maint	Comments
Class B-/C+ Office 5875 Doyle Street, Emeryville	2500 SF	\$1.65	Ind. Gross	CAM, Util, Garbage, Taxes	
Retail-Commercial Free Standing 301 Jefferson Street, Oakland	31,842 SF	\$1.00			Ground floor commercial space with retail storefront.
Industrial Flex Space 1545 Willow Road, Oakland	12,200 SF	\$0.60	Ind. Gross	CAM, Util, Garbage, Taxes	Corner location, ground floor flex office potential.
Brand new office/flex - Phoenix Lofts 737 Second Street, Oakland	950-1500 SF	\$1.25	Gross		Build to suit High ceilings, double windows.
Class B Office - Jack London Park 520 Third Street, Oakland	3,236 SF	\$1.55			Build to suit in established office building. Interior space.
Industrial Warehouse w/office 336 Adeline Street, Oakland	9,100 SF	\$0.85	Ind. Gross		Potentially divisible warehouse space with admin. offices and yard

Source: Conley Consulting Group, Loopnet, Peter Ingersoll  
April, 2005



**Conley Consulting Group**

**Appendix A**  
BBI Estimate





Oakland Central Train Station  
Preliminary Construction Improvement Budget

	Area (Square feet)	Total Cost	Notes
<b>Train Terminal Building</b>			
	12,768		
<b>Part One – Upgrade Shell and Exterior</b>		\$5,547,382	Part one is based on previous estimates and BBI Construction historical records. Scope includes seismic, roofing, windows, and exterior terra cotta repair.
<b>Part Two – Upgrade Interior of Station to US Dept. of Interior standards</b>		\$4,730,859	Part two is based on BBI Construction's historical records. Scope includes, historically accurate architectural finishes, wainscoting, ornamental plaster, murals, clocks, HVAC, electrical, plumbing, etc.
<b>Baggage Building</b>			
	10,992		
<b>Option One:</b>			
<b>Part One - Upgrade Shell and Exterior</b>		\$1,137,672	Part one is based on previous estimates & BBI Construction's historical records. Scope includes seismic, roofing, windows, and exterior terra cotta repair.
<b>Part Two – Upgrade Interior to low commercial office standards</b>		\$910,138	Part two is figured at \$60/sq ft based on BBI Construction's historical records. Scope includes architectural finishes, HVAC, electrical, plumbing, etc.
<b>Option Two:</b>			
<b>Demolition of Baggage Building</b>		\$70,000	Complete demolition of the front of the building, and including the excavation of the slab and foundation (back of the building is included under demolition of the rail platform).
<b>Rail Platform</b>			
	27,600		
<b>Option One - Complete Demolition</b>		\$424,120	Option one: Complete demo of the platform and repair of the train station façade where demolition occurs.
<b>Option Two - Partial Demo</b>		\$335,847	Option two: Partial demolition, which includes removal of one side of the platform and repair of remaining platform.
<b>Option Three – Renovate Rail Platform</b>		\$3,950,000	Option three: Renovate Rail Platform, which includes clean and repair platform, add lighting, infill rail wells, reworking stairs, etc.
<b>Site Improvement Costs</b>			
<b>Paving &amp; Landscaping</b>	24,640	\$623,392	Includes the patching of area where rail platform will be removed, landscaping and paving.

*General Notes*

- Total Cost = Construction costs plus 20% for soft costs (architecture, engineering, utility and permit fees, and project interest)
- Material Contingency - Please note that there has been significant cost fluctuation in construction materials. Add 10-15% for every year from July 26, 2004 for a Material Contingency
- No hazardous materials allowances have been made in this estimate except for the removal of the asbestos containing roofing material in the baggage claim area.
- A comprehensive hazardous building material survey and report is recommended.
- Degree of Accuracy of the Budget is +/- 20%

Source: BBI,  
August 20, 2004





**Conley Consulting Group**

**Appendix B**

Pyatok Architects and BBI  
Letters and Drawings





**BBI CONSTRUCTION**  
1155 Third St. Suite 230  
Oakland, CA 94607  
Tel (510) 286-8200  
Fax (510) 286-8210  
License No. 767890



March 24, 2005

Robert Stevenson  
BUILD West Oakland, LLC  
345 Spear Street, Suite 700  
San Francisco, CA 94105

Re: 16<sup>th</sup> Street Station Baggage Wing  
Oakland, CA

Dear Robert:

Per your request, we are re-submitting a preliminary construction improvement budget for the above referenced building. These costs reflect the budget numbers we presented on August 20, 2004 for the renovation and upgrades to the exterior of the baggage wing building as well as the building interior, constructed to low commercial office standards. The preliminary estimate for construction is \$2,047,810. Alternatively, residential reuse of the structure would cost approximately 45% to 50% on top of this total amount, or roughly \$3 million, depending on the design and levels of finish selected.

These costs are based on BBI Construction historical records and are approximate only, having been made prior to completed design documents or review by the city of Oakland. The seismic estimates are based on sketches prepared by Tipping-Mar Associates, Structural Engineers, dated July 2001. This cost does not include soft costs (architecture, engineering, utility, and permit fees), and no hazardous material allowances have been included.

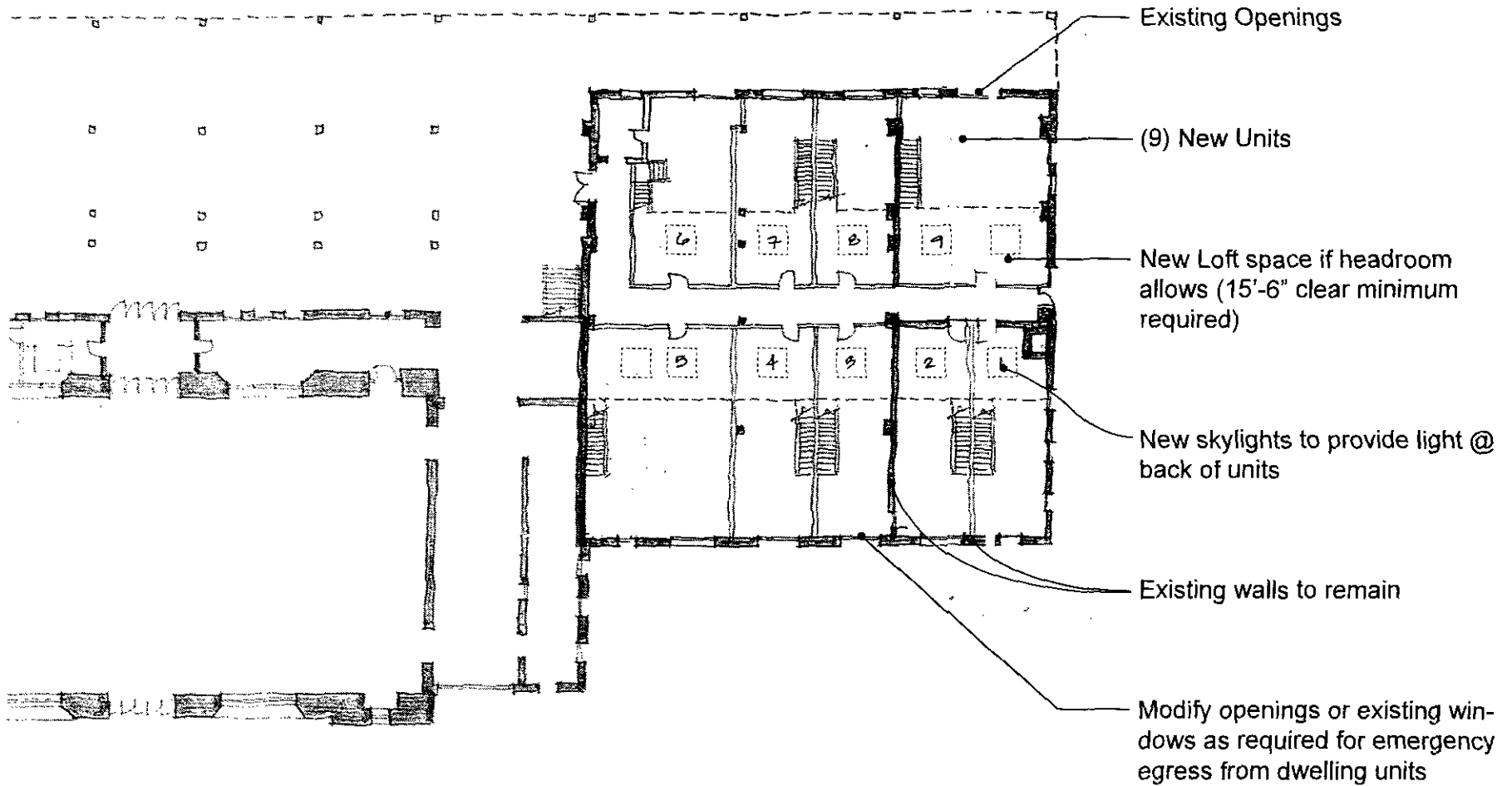
We appreciate this opportunity to provide you with a preliminary cost estimate for the renovation of this historical structure.

Sincerely,

A handwritten signature in black ink, appearing to read 'Nancy Guinther', is written over a light blue horizontal line.

Nancy Guinther  
VP of Business Development





# New Loft Units @ Baggage Wing

**Average Unit Size**  
 w / o Loft : 800 s.f.  
 w/ Loft : 1000 s.f.

16<sup>th</sup> Street Station  
 Conceptual Study

New Loft Units  
 @ Baggage Wing

March 7, 2005  
 Pyatok Architects, Inc.



29 March, 2005

**Pyatok Architects, Inc.**

Robert Stevenson  
BUILD  
345 Spear Street, Suite 700  
San Francisco, CA 94105

RE: Re-use of 16<sup>th</sup> Street Baggage Wing

Dear Robert

The following is a summary of the primary building code issues related to re-use of the existing baggage wing structure for residential purposes. These comments are based on site visits, review of existing drawings and the conceptual sketches prepared by our office, dated March 7, 2005.

The conceptual sketch prepared by Pyatok Architects indicates nine new loft type dwelling units in the existing baggage wing, accessed by a new central corridor space. These units are arranged to take advantage of the existing exterior openings, and to preserve as much of the existing masonry partitions as possible. Substantial modifications to door and window openings in the existing façade would be required to allow residential reuse of the baggage wing structure. The units themselves would meet code requirements but would provide relatively limited window openings as compared to other new projects being built in the neighborhood currently.

- **Exiting:** The proposed layout includes a central corridor to provide interior access to the units. Existing exterior openings will need to be modified to provide two separate exits from this corridor.
- **Headroom for multi-level units:** Minimum headroom at living spaces is 7'-6". 7'-0" is allowed at kitchens, hallways, baths and other ancillary spaces. For a second level to be possible, an overall ceiling height of approximately 15'-6" is required. Based on field dimensions, the height of the ceiling at the area below the elevated tracks is approximately 12'-0" to the bottom of the main beams. At the westerly portion of the baggage wing, the height of the sloping ceiling varies from 15'-7" to 14'-8". With 15" deep dropped beams occurring at 8'-0" on center. Based on these field measurements, the second level lofts indicated in our original sketch are probably not feasible.
- **Emergency Egress:** All units will require an emergency egress opening directly to the exterior with a minimum clear opening area of 5.7 square feet. The existing masonry openings are adequate to meet these egress requirements, but modification of existing window and/or door configurations will be required.

- **Light and Ventilation.** The building code sets minimum requirements for exterior openings providing natural light and air at dwelling units. Openings for natural light are required to be equal to 1/10 of the floor area. Openings for natural ventilation are required to be 1/20 of the floor area. To meet these requirements additional exterior openings will be required. The provision of new skylights would satisfy the requirement, and would have the least impact on the historic appearance of the building.
- **Fire Separations:** A minimum one hour fire separation will be required between all dwelling units, and between dwelling units and adjacent commercial uses located in the existing structure. A one-hour separation is readily achieved by typical frame wall construction.

#### **State Historic Building Code**

The Baggage wing is likely to be subject to the standards set forth in the State Historic Building code. The Historic Building Code provides designers and building officials with additional flexibility in meeting building code standards. However, for the issues outlined above the basic intent of the underlying Building Code will need to be met.

#### **Remediation of Hazardous Substances**

For use as dwelling units, any hazardous materials at the interior of the baggage wing will need to be remediated. Asbestos and lead based products will either have to be removed or encapsulated, based on the recommendations of an environmental consultant.

#### **Re-use of Baggage Wing for Commercial Uses:**

In contrast to residential reuse, the building code issues related to typical commercial reuse of the existing spaces are less significant, and can likely be readily addressed within the existing structure.

#### **Structural Design.**

The structural integrity of the existing structure and any necessary structural improvements will need to be addressed by a Structural Engineer.

Please contact me directly if you have any questions regarding the above.

Sincerely,



Peter Waller, AIA  
Principal

## **Wood Street Project Comment Letters Received after the CEQA Public Review Period**

### **Introduction**

Following the close of the public review period on the Draft EIR on the proposed Wood Street Project on November 15, 2004, the City continued to receive comment letters on the document and the Project. In an effort to provide the City decision makers with a full perspective on issues and concerns raised by the public agencies and members of the public, this report summarizes comments submitted to the City through April 8, 2005.

### **Letters on the Draft EIR Received after the Close of the Public Review Period**

Two commentors submitted letters in response to the Draft EIR were received after November 15, 2004, when the public review period closed. These letters from the Oakland Heritage Alliance and the California Department of Transportation are briefly addressed here. The comments concern retaining Bea's Hotel, enhancing cultural resource mitigation measures, providing mitigation for removal of the Pacific Coast Cannery complex, reconfiguring the site plan around the Train Station in an effort to preserve the Baggage Wing and portions of the Elevated Tracks that extend beyond the Main Hall, redesigning the Project to allow visibility of the Train Station from the west, and applying the state's noise protocol procedures in the impact assessment. Most of these comments were addressed in the Final EIR that was dated February 7, 2005 or in the Appeals Report dated April 21, 2005 for the Oakland City Council.

**Bea's Hotel.** The Final EIR in Master Response 4, beginning on page 3-44, provides additional documentation on Bea's Hotel. The buildings was reviewed as part of the Oakland Cultural Heritage Survey, and even though the review was performed in 1988, it still provides an accurate depiction of the history of the structure, its associations with activities occurring at the time of its construction, and the extent to which it has been altered. A recent site visit by Alan Dreyfuss, a local historic architect, confirms the rating for Bea's Hotel as that of minor importance. It should be noted that the EIR contains an alternative that preserves Bea's Hotel. While this alternative would avoid demolishing the structure, the Project Sponsors' objective of creating a vibrant, pedestrian-oriented development, particularly around the new Plaza, would be compromised.

**Mitigation Measures for the Train Station.** In response to this and other similar comments, Master Response 4 of the Final EIR proposes more detailed and specific mitigation measures to protect and restore the train station. Specifically, Mitigation Measures CR-2.5, CR-2.6, CR-2.7, and CR-2.8 can help preserve the important heritage and legacy of the station and the community. Regarding incorporating a timetable for preservation of the historic structures, cultural resources Mitigation Measures CR-2.3 and CR-2.4 ensure the protection of the historic resources until reuse of the Main Hall is determined. Mitigation Measure CR-2.5 sets forth the planning activities to ensure an appropriate timetable for historic preservation.

**Reuse and Design of the Pacific Coast Cannery.** Regarding information about reuse and historic aspects of the Cannery, please refer to Master Response 4 and Responses 53.3, 53.5, and SL6.2 of the Final EIR. Schematic architectural plans attached to the staff report for the Landmarks Preservation Advisory Board public hearing on April 11, 2005 provide more detailed plans for the complex which are more sensitive to its history. Suggestions to not include cannery-related elements into the design of the new construction were taken into consideration. The City appreciates the explanation provided by the commentor why such architectural treatment would be inappropriate to the area's history. This said, it is important to keep in mind that the cannery complex is rated Cb+2+

according to the Oakland Cultural Heritage Survey. This rating means that the complex is of secondary importance and not considered a historic resource for CEQA purposes, pursuant to Policy 3.8 of the City's Historic Preservation Element of the General Plan.

**Redesign of the Area around the Train Station.** A proposal was made to reconfigure the housing units adjoining the train station to preserve more of the historic buildings. Strategies to reconfigure the adjoining housing units and preserve more of the train station were evaluated generally in Master Response 4 of the Final EIR. Additional efforts have been made by the Project Sponsors to explore other options, but they would result in greater densities in adjoining areas, increased building heights with potentially greater visual impacts, and adverse effects on project feasibility due partly to higher construction costs.

**Redesign of the Area around the Train Station to Protect Views from the West.** A proposal was made to redesign the Project to provide visibility from the west. The Draft EIR evaluated loss of views of the historic train station from the west. The text on page 3.3-30 explains that views from this direction are from the frontage road and Interstate 880, and thus are fleeting as one drives by. This area is not recognized by the General Plan as a visual resource. Furthermore, the orientation of the building is towards Wood Street where a public plaza will be constructed to provide a grand view and open space leading to the Main Hall. Since significant impacts are not identified for views from the west, modifying the Project to enhance such views is not warranted as mitigation under CEQA.

**Noise Analysis.** Due to the project's vicinity to Interstate 880, the potential for noise impacts should be evaluated and mitigated where appropriate using the California Department of Transportation's Traffic Noise Analysis Protocol. The City acknowledges that the Department's protocol is a useful tool for evaluating potential noise impacts from new construction or reconstruction transportation projects (Caltrans, Traffic Noise Analysis Protocol, 1998, p. vii). However, the proposed project involves a new land development near Interstate 880 and, thus, the protocol would not apply. Even if the protocol were used to estimate noise exposure at the future Wood Street Project, the Draft EIR already acknowledges that future residents would be exposed to Conditionally Acceptable noise levels, as defined by the City's General Plan. These conditions to a large extent reflect the project site's location adjacent to Interstate 880. Regardless of the noise exposure, as determined by the Caltrans' protocol, the State requires that interior noise levels for multifamily development, as proposed by the Project, must be 45 dBA or less. Accordingly, detailed acoustical studies will be required to demonstrate that the proposed building design and construction will satisfy this noise standard.

#### **Letters Received after the Release of the Final EIR**

The following individuals and organizations submitted letters following the release of the Final EIR on the Wood Street Project in early February 2005. These comments either express an opinion; express general support or opposition to the proposed Wood Street Project; raise subject matter that has been previously addressed in the Draft EIR or Final EIR; or address matters that do not pertain to the proposed project or potential impacts (e.g., existing conditions such as current truck traffic or dust around the proposed project site). Accordingly, these comments do not require a response. Even if responses had been prepared, they would not bear materially on the appeal of the Planning Commission's decision to certify the Final EIR for the Project. The commentors and the nature of their comment are summarized below.

- 16<sup>th</sup> and Wood Train Station Coalition, February 1, 2005 (concerns lack of clear timeframes and public participation process; these issues are addressed in the Final EIR and the Appeals Report)



- Bruce Wismer, February 10, 2005 (raises issue not related to the Project—problem of existing truck traffic and dust)
- Bronwyn Barry, February 18, 2005 (raises issues already addressed in the Final EIR—current layout creates gated community, recommend through street)
- Monica Flores, 10K Group LLC, February 28, 2005 (expresses support for the Project)
- Anna Naruta, Chinese Historical Society of America, February 28, 2005 (opposes lot-line through train station, requests better mitigation for the Cannery, and design reviews; these issues were raised previously and addressed in the Final EIR, in the Appeals Report, or in the section above)
- Cynthia L. Shartzter, Lakeside Apartments Neighborhood Association, February 28, 2005 (expresses opinion on the use of tax increment funds; issue addressed in the Appeals Report)
- Margaretta Lin, East Bay Community Law Center, February 28, 2005 (raises matter not related to the CEQA documentation—offer to meet with Project Sponsors)
- Central Labor Council, February 28, 2005 (raises matter already addressed in the Final EIR—local jobs, affordable housing, environmental remediation, train station)
- G-C-M, March 1, 2005 (expresses support for the Project)
- Steve R., March 1, 2005 (expresses support for the Project)
- Madeline Wells, March 5, 2005 (expresses support for the Project)
- Ellen Dektar, Alameda County Childcare Planning Council, March 9, 2005 (raises issue already addressed in the Final EIR—need for child care facilities; see responses to Comment Letter #44)
- A.L. Brown, March 11, 2005 (raises issue already addressed in the Final EIR— disappointed that project sponsors get their way; see responses to Comment Letters #46 and #47)
- Oakland Heritage Alliance, March 14, 2005 (opposes lot-line through train station, expresses opinion on the use of tax increment funds, requests retention of Baggage Wing, Elevated Tracks, and Bea’s Hotel, and better inclusion for the Cannery; these issues were raised previously and addressed in the Final EIR, the Appeals Report, or in the section above)
- Anna Naruta, Chinese Historical Society of America, March 15, 2005 (opposes lot-line through train station, requests better mitigation for the Cannery and design reviews; these issues were raised previously and addressed in the Final EIR, in the Appeals Report, or in the section above)
- National Trust for Historic Preservation, March 15, 2005 (raises issue of entire Train Station preservation and expresses opinion regarding National Register of Historic Places eligibility; these issues were raised previously and addressed in the Final EIR or in the Appeals Report)
- Connie Payne, March 15, 2005 (expresses support for the Project and an opinion about the use of tax increment funds)
- Cynthia L. Shartzter, Lakeside Apartments Neighborhood Association, March 16, 2005 (opposes lot-line through train station, expresses opinion on the use of tax increment funds, supports Chinese Historical Society of America’s letter listed above; these issues were raised previously and addressed in the Final EIR, in the Appeals Report, or in the section above)

- 16<sup>th</sup> and Wood Train Station Coalition, March 16, 2005 (addresses EIR adequacy and the Mundie Report, expresses opinion on the use of tax increment funds, and Train Station preservation; these issues were addressed in the Appeals Report or in the section above)
- Howard Greenwich, East Bay Alliance for a Sustainable Economy, March 16, 2005 (raises issue that The Proposed Wood Street Project: Policy and Planning Framework [Appendix C of the Final EIR] is not a Community Impact Report)
- Marcus A. Johnson, March 16, 2005 (presents petitions of 62 individuals supporting the Project)
- 120 signatures supporting the Project (presented at the March 16, 2005 Planning Commission hearing)
- Sharon Cornu, March 29, 2005 (supports West Oakland Train Station Coalition's demands for affordable housing, prevailing wages, environmental remediation, and preservation of the train station)
- Karin Hart, March 30, 2005 (supports West Oakland Train Station Coalition's demands for affordable housing, prevailing wages, environmental remediation, and preservation of the train station)
- Jerry Fillingim, March 30, 2005 (supports West Oakland Train Station Coalition's demands for affordable housing, prevailing wages, environmental remediation, and preservation of the train station)
- Abdi Soltani, March 30, 2005 (supports West Oakland Train Station Coalition's demands for affordable housing, prevailing wages, environmental remediation, and preservation of the train station)
- Lily Leung, March 30, 2005 (supports West Oakland Train Station Coalition's demands for affordable housing, prevailing wages, environmental remediation, and preservation of the train station)
- Joshua Sperry, March 30, 2005 (supports West Oakland Train Station Coalition's demands for affordable housing, prevailing wages, environmental remediation, and preservation of the train station)
- Alan Whiteside, March 20, 2005 (supports West Oakland Train Station Coalition's demands for affordable housing, prevailing wages, environmental remediation, and preservation of the train station)
- Christine Zook, March 31, 2005 (supports West Oakland Train Station Coalition's demands for affordable housing, prevailing wages, environmental remediation, and preservation of the train station)
- Vinson Owyong, April 1, 2005 (supports West Oakland Train Station Coalition's demands for affordable housing, prevailing wages, environmental remediation, and preservation of the train station)
- Edward Sullivan, April 7, 2005 (supports West Oakland Train Station Coalition's demands for affordable housing, prevailing wages, environmental remediation, and preservation of the train station)
- Thomas Manley, no date (supports West Oakland Train Station Coalition's demands for affordable housing, prevailing wages, environmental remediation, and preservation of the train station)

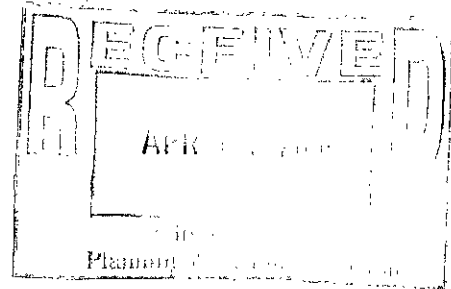
- Wendell Chin, no date (supports West Oakland Train Station Coalition's demands for affordable housing, prevailing wages, environmental remediation, and preservation of the train station)
- East Bay Community Law Center, February 11, March 9 and 16, 2005 (requests for document review)



# ALBERT SUKOFF

12 April 2005

Ms. Margaret Stanzione  
Community and Economic Development Agency  
Planning and Zoning Division  
250 Frank H. Ogawa Plaza, Suite 3315  
Oakland, CA 94612-2032



Dear Ms. Stanzione:

I own property directly across the street from the Wood Street Development Project and have been following the progress of this project through the City of Oakland review process. I have read much of the documentation provided by the City and the developers and have attended several meetings at City Hall. I would like to express support for this project. This large site have been vacant and an eyesore for many years. Saving the train station and building needed housing can only be beneficial to the neighborhood and the City of Oakland. I hope the City will approve the project as proposed and that we will soon see the result.

Sincerely,

Albert Sukoff

---

1303 ARCH STREET  
BERKELEY, CA 94708

arch1303@comcast.net

ATTACHMENT K



-----Original Message-----

From: abdi@collegecampaign.org  
[mailto:abdi@collegecampaign.org]  
Sent: Wednesday, March 30, 2005 9:03 AM  
To: ccappio@oaklandnet.com  
Subject: Support the West Oakland Train Station Coalition  
Demands

Deputy Director Claudia Cappio  
250 Frank H Ogawa Plaza, Suite 3330  
Oakland, CA 94612

Dear Deputy Director Cappio,

I am supporting the West Oakland Train Station Coalition's demands for affordable housing, prevailing wages, environmental remediation, and preservation of the historic Pullman Porter organizing site under community control. I ask that you approve the project only if these are met.

As a resident of West Oakland/union member/concerned community member/person who voted for you, I am truly concerned that the developers and City officials will not agree to the needs of the community as stated above. I am particulaly concerned about \_\_\_\_\_ b/c \_\_\_\_\_ . Please let me know that you will support the Coalition!

Sincerely,

Abdi Soltani  
663 13th Street  
Oakland, California 94612

-----Original Message-----

From: lilyff1190@hotmail.com

[mailto:lilyff1190@hotmail.com]

Sent: Wednesday, March 30, 2005 8:07 AM

To: ccappio@oaklandnet.com

Subject: Support the West Oakland Train Station Coalition Demands

Deputy Director Claudia Cappio  
250 Frank H Ogawa Plaza, Suite 3330  
Oakland, CA 94612

Dear Deputy Director Cappio,

I am supporting the West Oakland Train Station Coalition's demands for affordable housing, prevailing wages, environmental remediation, and preservation of the historic Pullman Porter organizing site under community control. I ask that you approve the project only if these are met.

As a resident of West Oakland/union member/concerned community member/person who voted for you, I am truly concerned that the developers and City officials will not agree to the needs of the community as stated above. I am particulaly concerned about \_\_\_\_\_ b/c \_\_\_\_\_ . Please let me know that you will support the Coalition!

Sincerely,

lily Leung  
1106 Bismarck Lane  
Alameda, California 94502-6936



-----Original Message-----

From: jsperry@riseup.net [mailto:[jsperry@riseup.net](mailto:jsperry@riseup.net)]  
Sent: Wednesday, March 30, 2005 9:05 AM  
To: ccappio@oaklandnet.com  
Subject: Support the West Oakland Train Station Coalition Demands

Deputy Director Claudia Cappio  
250 Frank H Ogawa Plaza, Suite 3330  
Oakland, CA 94612

Dear Deputy Director Cappio,

I am supporting the West Oakland Train Station Coalition's demands for affordable housing, prevailing wages, environmental remediation, and preservation of the historic Pullman Porter organizing site under community control. I ask that you approve the project only if these are met.

I am an Oakland resident. This site is important to the community, and of course affordable housing is an absolute necessity for Oakland and the entire Bay Area. Putting up a new project without affordable units is crazy!

Please let me know that you will support the Coalition!

Sincerely,

Joshua Sperry

-----Original Message-----

From: penpac1@comcast.net [mailto:penpac1@comcast.net]

Sent: Tuesday, March 29, 2005 9:17 PM

To: ccappio@oaklandnet.com

Subject: Support the West Oakland Train Station Coalition Demands

Deputy Director Claudia Cappio  
250 Frank H Ogawa Plaza, Suite 3330  
Oakland, CA 94612

Dear Deputy Director Cappio,

I am supporting the West Oakland Train Station Coalition's demands for affordable housing, prevailing wages, environmental remediation, and preservation of the historic Pullman Porter organizing site under community control. I ask that you approve the project only if these are met.

As a resident of West Oakland/union member/concerned community member/person who voted for you, I am truly concerned that the developers and City officials will not agree to the needs of the community as stated above. I am particulaly concerned about \_\_\_\_\_ b/c \_\_\_\_\_ . Please let me know that you will support the Coalition!

Sincerely,

Alan Whiteside

-----Original Message-----

From: vro595@yahoo.com [mailto:vro595@yahoo.com]

Sent: Friday, April 01, 2005 10:06 AM

To: ccappio@oaklandnet.com

Subject: Support the West Oakland Train Station Coalition Demands

Deputy Director Claudia Cappio  
250 Frank H Ogawa Plaza, Suite 3330  
Oakland, CA 94612

Dear Deputy Director Cappio,

I am supporting the West Oakland Train Station Coalition's demands for affordable housing, prevailing wages, environmental remediation, and preservation of the historic Pullman Porter organizing site under community control. I ask that you approve the project only if these are met.

As a resident of West Oakland/union member/concerned community member/person who voted for you, I am truly concerned that the developers and City officials will not agree to the needs of the community as stated above. I am particulaly concerned about \_\_\_\_\_ b/c \_\_\_\_\_ . Please let me know that you will support the Coalition!

Sincerely,

Vinson Owyong  
2522 31st Avenue  
San Francisco, California 94116

Deputy Director Claudia Cappio  
250 Frank H Ogawa Plaza, Suite 3330  
Oakland, CA 94612

Dear Deputy Director Cappio,

I am supporting the West Oakland Train Station Coalition's demands for affordable housing, prevailing wages, environmental remediation, and preservation of the historic Pullman Porter organizing site under community control. I ask that you approve the project only if these are met.

As a concerned community member, I am truly concerned that the developers and City officials will not agree to the needs of the community as stated above. I am particularly concerned about the lack of community benefits and political will and conviction for accountable development. Please let me know that you will support the Coalition!

Sincerely,

Wendall Chin  
2463 Truman Avenue  
Oakland, California 94605



1511 Center Street  
Oakland, CA 94607  
Telephone: 510.663.5351  
[monica@10kgroup.com](mailto:monica@10kgroup.com)  
<http://www.10kgroup.com>

---

2/28/05

Ms. Claudia Cappio  
Director of Planning  
City of Oakland  
250 Frank H. Ogawa Plaza, Suite 3330  
Oakland, CA 94612

Dear Ms. Cappio:

I am a homeowner and operate a business out of my home at:  
1511 Center Street Oakland CA 94607

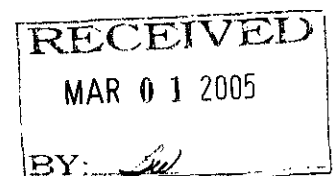
I am writing to support the Central Station developments with BUILD, HFH, and Holliday Development. As a homeowner and business owner, I am aware of the challenges to bringing revitalization and pride to this community, and I believe that the retail, open space, and new homes that these developers plan to implement in this region will be beneficial to West Oakland.

The developers are relying on their private funds, they are getting rid of the truck parking, they are putting an emphasis on home and condo ownership, and I think that these will all contribute to more merchants, retail stores, and small businesses, that will in turn create jobs and new opportunities to help our neighborhood.

I ask that the City Council and my councilperson Nancy Nadel move forward with the public approvals process. I also ask that the City set aside tax money generated by this project to assist low-income households into moving into these new housing opportunities and provide funds to assist in the revitalization of the historic 16<sup>th</sup> St Station. Thank you.

Sincerely,

Monica Flores



CC: Ben Metcalf, BUILD, 345 Spear ST #700, San Francisco, CA 94105

Connie Payne  
1509 Chestnut Street  
Oakland, CA 94607  
(510) 832-5856/(510) 472-2440  
cpayne@igc.org

March 15, 2005

Fax 510-238-4730

Ms. Claudia Cappio  
Director of Planning  
City of Oakland  
250 Frank H. Ogawa Plaza, Suite 3330  
Oakland, CA 94612

Dear Ms. Cappio:

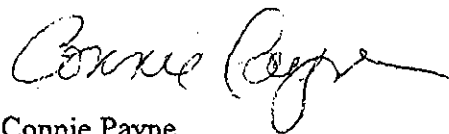
I am writing you about my support for the Central Station developments.

I have two central concerns about these developments.

1. I am in favor of subsidizing or using the tax increment to assist HOME OWNERSHIP for low income West Oakland residents, especially the elderly. **As a West Oakland Resident**, I would like to see an increase in residents who are invested in my community. West Oakland already has a disproportionate number of low income renters. It has created an imbalance in my community which must be corrected.
2. The Station Building is an important historical landmark for all of Oakland and especially for African Americans.

I am hoping that the City will expedite the approval process for the developments and that the City will set aside new tax money generated by this project to assist low-income OWNERS and to provide funds to assist in the revitalization of the historic 16<sup>th</sup> Street Station.

Very truly yours,



Connie Payne

March 1<sup>st</sup>, 2005

Ms. Claudia Cappio  
Director of Planning  
City of Oakland  
250 Frank H. Ogawa Plaza, Suite 3330  
Oakland, CA 94612

Dear Ms. Cappio:

I am a resident of Oakland, residing at the following address:

---

I write to support the Central Station developments. I believe BUILD, HFH and Holliday Development have developed a worthwhile plan for revitalizing the area west of Wood Street.

I understand that the developers plan to get rid of vacant lots and truck-parking in exchange for new homes, retail, new open space areas, and cleaned up streets – all paid for entirely with private funds. This is the kind of activity that spurs neighbors to reinvest in their homes and encourages new businesses and community activities.

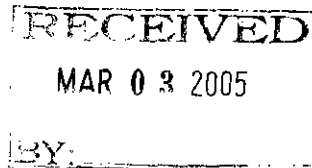
I believe the emphasis on homeownership at Central Station makes sense. These developments will bring in new residents who can help support retail and small businesses, and will help West Oakland retain the working families who otherwise leave the area for the far suburbs or elsewhere.

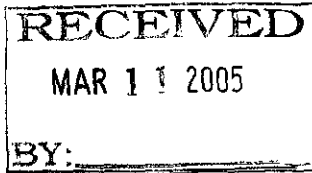
I ask that the City assist and expedite the efforts of the developers to the extent possible. In particular, I ask that the City move forward with the public approvals process. I also ask that the City set aside new tax money generated by this project to assist low-income households in moving into these new housing opportunities and to provide funds to assist in the revitalization of the historic 16<sup>th</sup> Street Station.

Sincerely,

G-C-M.

Cc: Ben Metcalf, BUILD, 345 Spear St. #700, San Francisco, CA 94105





March 1<sup>st</sup>, 2005

Ms. Claudia Cappio  
Director of Planning  
City of Oakland  
250 Frank H. Ogawa Plaza, Suite 3330  
Oakland, CA 94612

Dear Ms. Cappio:

I am a resident of Oakland, residing at the following address:

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I write to support the Central Station developments. I believe BUILD, HFH and Holliday Development have developed a worthwhile plan for revitalizing the area west of Wood Street.

I understand that the developers plan to get rid of vacant lots and truck-parking in exchange for new homes, retail, new open space areas, and cleaned up streets – all paid for entirely with private funds. This is the kind of activity that spurs neighbors to reinvest in their homes and encourages new businesses and community activities.

I believe the emphasis on homeownership at Central Station makes sense. These developments will bring in new residents who can help support retail and small businesses, and will help West Oakland retain the working families who otherwise leave the area for the far suburbs or elsewhere.

I ask that the City assist and expedite the efforts of the developers to the extent possible. In particular, I ask that the City move forward with the public approvals process. I also ask that the City set aside new tax money generated by this project to assist low-income households in moving into these new housing opportunities and to provide funds to assist in the revitalization of the historic 16<sup>th</sup> Street Station.

Sincerely,

A handwritten signature in cursive script that reads "Steve Rochman".

320 Lee St. #806  
Oakland 94610  
510-910-8734

Cc: Ben Metcalf, BUILD, 345 Spear St. #700, San Francisco, CA 94105



678 Brockhurst Street  
Oakland, California 95609  
March 5, 2005

Ms. Claudia Cappio  
Director of Planning  
City of Oakland  
250 Frank H. Ogawa Plaza, Suite 3330  
Oakland, California 94612

Dear Ms. Cappio:

I reside at 678 Brockhurst St. in Oakland.

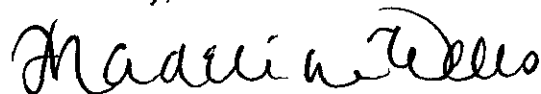
I am writing to support the Central Station developments. I believe BUILD, HFH, and Holiday Development have developed a worthwhile plan for revitalizing the area west of Wood Street.

I understand the developers plan to rid the area of vacant lots and truck-parking in exchange for new homes, retail, new open space areas, and clean streets. These are positive changes for the area and will be funded with private funds. The community desperately needs upgrades in the surroundings that will encourage neighbors to reinvest in their homes, encourage new businesses, and inspire positive community activities.

I believe the emphasis on homeownership at Central Station makes sense. The developments will attract new residents who can support retail, and various small businesses. Such activity will also build up the community and reduce the flight of solid citizens to the suburbs and elsewhere.

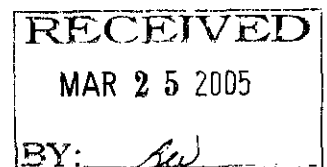
Hopefully, the City will assist the developers in every way possible. It appears very important to expedite the approvals process. In addition, it is hoped the City will be committed to assist in the revitalization of the historic 16th Street Station.

Sincerely,



Madeline Wells

Cc: Ben Metcalf, BUILD



Deputy Director Claudia Cappio  
250 Frank H Ogawa Plaza, Suite 3330  
Oakland, CA 94612

Dear Deputy Director Cappio,

I am supporting the West Oakland Train Station Coalition: affordable housing, prevailing wages, environmental remediation, preservation of the historic Pullman Porter organizing: community control. I ask that you approve the project on my behalf.

As a resident of Oakland, a union member and a concerned citizen, I am truly concerned that the developers and City of Oakland will not agree to the needs of the community as stated. I am particularly concerned about maintaining affordable housing. Please let me know that you will support the Coalition!

Sincerely,

Thomas Manley  
2325 Ivy Drive, Apt 2  
Oakland, California 94606-2051

-----Original Message-----

From: jfillingim@seiu535.org [mailto:jfillingim@seiu535.org]

Sent: Wednesday, March 30, 2005 11:40 AM

To: ccappio@oaklandnet.com

Subject: Support the West Oakland Train Station Coalition Demands

Deputy Director Claudia Cappio  
250 Frank H Ogawa Plaza, Suite 3330  
Oakland, CA 94612

Dear Deputy Director Cappio,

I am supporting the West Oakland Train Station Coalition's demands for affordable housing, prevailing wages, environmental remediation, and preservation of the historic Pullman Porter organizing site under community control. I ask that you approve the project only if these are met.

As a resident of West Oakland/union member/concerned community member/person who voted for you, I am truly concerned that the developers and City officials will not agree to the needs of the community as stated above. I am particulaly concerned about \_\_\_\_\_ b/c \_\_\_\_\_. Please let me know that you will support the Coalition!

Sincerely,

Jerry Fillingim

-----Original Message-----

From: efsullyjr@aol.com [mailto:efsullyjr@aol.com]

Sent: Thursday, April 07, 2005 10:10 AM

To: ccappio@oaklandnet.com

Subject: Support the West Oakland Train Station Coalition Demands

Deputy Director Claudia Cappio  
250 Frank H Ogawa Plaza, Suite 3330  
Oakland, CA 94612

Dear Deputy Director Cappio,

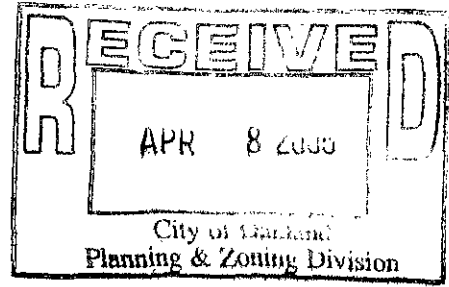
I am supporting the West Oakland Train Station Coalition's demands for affordable housing, prevailing wages, environmental remediation, and preservation of the historic Pullman Porter organizing site under community control. I ask that you approve the project only if these are met.

As a resident of West Oakland/union member/concerned community member/person who voted for you, I am truly concerned that the developers and City officials will not agree to the needs of the community as stated above. I am particulaly concerned about \_\_\_\_\_ b/c \_\_\_\_\_. Please let me know that you will support the Coalition!

Sincerely,

Edward Sullivan  
2448 Great Highway # 14  
San Francisco, California 94116

Kiana Buss  
Assemblymember Wilma Chan's Office  
State Capitol  
P.O. Box 942849  
Sacramento, CA 94249-0016  
(f) 510-286-1888



Kip Lipper  
President Pro Tem Don Perata's Office  
State Capitol, Room 205  
Sacramento, CA 95814  
(f) 510-286-3885

April 4, 2005

Dear Ms. Buss and Mr. Lipper,

Recently, it has come to our attention that two toxic sites set for development in Oakland need a change in Lead Agency responsible for cleanup. **We are writing to ask you to request that Cal/EPA Secretary Dr. Alan C. Lloyd make a change of Lead Agency from the San Francisco Regional Water Quality Control Board (Water Board) to the Department of Toxic Substance Control (DTSC)—a change necessary for both sites.** Such an action would ensure that the health of people and the environment are protected.

Both the **16<sup>th</sup> and Wood Train Station development** in West Oakland and the **Oak to 9<sup>th</sup> development** near the Eastlake and Lower San Antonio neighborhoods of Oakland are highly contaminated sites and will involve complex cleanup and mitigation procedures to ensure public health and safety. We represent two community coalitions formed to address the negative impacts as well as improve the benefits of these two developments for area residents and neighborhoods.

As you may know, the Water Board has an extremely poor record of toxic cleanup. Enclosed is one article from the Berkeley Planet documenting the Water Board's inept handling of the AstraZeneca site in Assemblymember Loni Hancock's district. As you will see, the Water Board's cleanup placed area residents and workers at extreme risk and toxic exposure that could have been avoided. In the end, the lead agency for the cleanup was switched from Water Board to DTSC.

Changing the Lead Agency responsible for cleanup would mean better protection of the health of area residents and mitigation workers, more public liaisons and public input into the cleanup process, and expert staff and public health liaisons to ensure the cleanup is done right—all of which would be absent if the Water Board retains Lead Agency status.

We urge you to immediately take the steps necessary to ensure the change of Lead Agency for both projects. We will be in contact with your office to follow-up on this request. If you have any questions in the meantime, you may contact Jennifer Lin at 510-834-8920, x. 309.

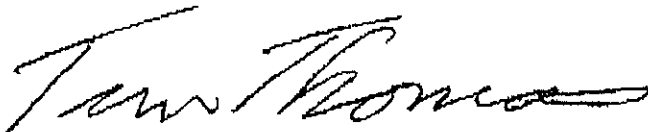
Thank you for your time and attention on this important matter,



Jennifer Lin  
Co-Coordinator, Oak to 9<sup>th</sup> Community Benefits Coalition  
Asian Pacific Environmental Network



Margaret Gordon  
Coordinating Team, West Oakland Environmental Indicators Project  
Member, 16<sup>th</sup> and Wood Train Station Coalition



Tim Thomas  
Coordinating Team, West Oakland Environmental Indicators Project

Cc: Jane Williams, California <sup>Communities</sup> Coalition Against Toxics  
Councilmember Nancy Nadel  
Margaret Stanzione, City of Oakland Planning and Zoning Department

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## Outcry Spurs Cleanup Shift to Toxics Agency: By RICHARD BRENNEMAN



Bowing to public and legislative pressure, state officials Monday agreed to a change in jurisdiction over the toxic cleanup of Campus Bay, the South Richmond site where developers hope to build a condo project atop a hazardous waste dump.

"It's my understanding that the water board and the state Department of Toxic Substances Control (DTSC) are working on a transfer plan to have DTSC become the lead agency," said East Bay Assemblymember Loni Hancock Monday.

The move follows a heated joint legislative hearing convened Saturday in Richmond by Hancock and state Assemblymember Cindy Montañez, a Southern California lawmaker who chairs the Assembly's Rules Committee and as well as the Select Committee on Environmental Justice.

Speaker after speaker at Saturday's meeting voiced outrage at the water board's handling of the site and demanded that site jurisdiction be removed from the San Francisco Regional Water Control Board over to the DTSC.

"I'm not going to celebrate until I see all the details," said Peter Weiner, a San Francisco attorney who represents a citizens' group which has challenged the project on public health and safety issues.

Formal word came from Rick Brausch, assistant secretary for external affairs of the California Environmental Protection Agency, in an e-mail to legislators and regulators.

"DTSC and the Regional Board are discussing the logistics for transitioning lead regulatory oversight. . . to DTSC," Brausch wrote.

The toxic control agency will control all aspects of the dry land portion of the site, and the water board will continue to play a role in the restoration of marsh and wetlands near the shore, he said.

"It's a great, great thing," said Sherry Padgett, a BARRD member who has worked next to the site for seven years and whose struggle with rare forms of cancer led her to become a leading critic of the Campus Bay project.

"Once the camel gets its nose into the tent, it's going to be hard to keep it out," she said. "From now on there will be public participation and formal logs of complaints."

Padgett praised the two legislators for listening to residents' complaints and acting on their concerns.

Karen Stern, publicist for Cherokee Simeon Ventures, the joint venture proposing to build the housing complex, said Russell Pitto, chair of

### Today's Headlines:

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By JAKOB SCHILLER

**A Victim's Plea:**  
By SHERRY PADGETT

**Transit Authority Promotes Marina Terminal:** By MATTHEW ARTZ

**Council Considers Creeks, Historic House, Foothill Bridge:** By MATTHEW ARTZ

**Private 'Priority' Vote Alarms Open Meeting Advocates:** By MATTHEW ARTZ

**Tax Vote Mandates New Politics:** By BECKY O'MALLEY

**McLaughlin Wins Seat on Richmond Council:** By J. DOUGLAS ALLEN-TAYLOR

**Owner of Oregon Street House Says Property Not Troubled:** By J. DOUGLAS ALLEN-TAYLOR

**Richmond Council to Consider Pt. Molate Offers:** By RICHARD BRENNEMAN

**Planning Commission Looks at Parking Landmarks Ordinance:** By RICHARD BRENNEMAN

**Letters to the**

Simeon Properties, one of the two corporate partners, had requested greater DTSC involvement in a Monday morning call to Brausch.

"We are looking for clarity, and we welcome DTSC's involvement," Stern said. "Clearly both agencies have roles to play."

#### Richmond Showdown

All parties agreed that Saturday's hearing was instrumental in bringing about the regulatory regime change.

Saturday's drama began with Padgett's testimony, a passionate and riveting plea to the legislators and regulatory officials gathered in a packed meeting room at UC Berkeley's Richmond Field Station.

Her message was simple: Give DTSC final say over the future of the site where Cherokee Simeon hopes to build a waterfront complex of 1330 units of condos, townhouses and apartments atop a pile of buried waste.

Her testimony, a personal story of tragedy and purpose, drew a standing ovation from most of the audience.

And before the session ended, Brausch had promised he would meet Monday in Sacramento meeting with the heads of the two agencies.

Critics of the development—the large majority of the speakers—found a receptive audience in Montañez and Hancock, the member of the California Assembly Committee on Environmental Safety & Toxic Materials who had requested the hearing.

Beyond their immediate concerns over Campus Bay, the lawmakers looked at the system itself, promising new legislation designed to reform a regulatory system both agreed is seriously flawed.

#### Regulatory Choices

The lawmakers' questions to state regulatory officials revealed a bureaucratic landscape in which a developer seeking to build on polluted earth can choose whichever agency she thinks will make the job the easiest and cheapest—a decision which even the state's top environmental officer can't reverse.

And what are the developer's options?

- One, the DTSC, is a state-wide agency staffed by scientists, toxicologists and other experts which conducts its oversight with extensive public notice and participation from the very outset.
- The other, the regional water board—without a single toxicologist for the last two years—is a regional entity which presents its work as a fait accompli, with public participation only at the end.

In the case of Campus Bay, the change only came after the developer agreed this week to change the jurisdiction to the DTSC.

Montañez, whose San Fernando Valley district includes several seriously polluted sites earmarked for development, told the gathering that "my passion as a legislator is the issue of brownfields and environmental justice."

Brownfields are defined by the U.S. Environmental Protection Agency as "real property, the expansion, redevelopment, or reuse of which may be complicated by the presence or potential presence of a hazardous substance, pollutant, or contaminant."

#### Table Top Mountain

The reason for Saturday's gathering lay just to the north, what Padgett described as "a 350,000 cubic yard, 30-acre, eight-foot-tall table top mountain with a concrete cap"—the toxic residue of a century of chemical manufacturing where Cherokee Simeon wants to build housing.

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OSHA NEUMANN

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Films: By KEN

BULLOCK

#### Arts Calendar

#### Skunks Are Now



Cherokee Simeon Ventures began the project as a biotech park, then settled on the housing development after the tech boom tanked.

In a Class All  
Their Own: By  
JOE EATON

The corporate entity combines the expertise of developer Pitto's Simeon Properties with the deep pockets of Cherokee Investment Partners, a firm which investments pension and other institutional funds in brownfields development.

Berkeley This  
Week

Until 1998, the land housed a chemical manufacturing complex last owned by AstraZeneca, a British firm.

The site landed on the federal Superfund list, a high priority list, before the federal Environmental Protection Agency passed jurisdiction to the state, which placed it on its own Superfund list.

#### Water Board's Role

Jurisdiction had already come under the aegis of water board in 1980, after the discovery of polluted outfall water. The board retained oversight responsibility for when the land was sold to Cherokee Simeon on Dec. 31, 2002.

AstraZeneca had originally estimated it would cost \$100 million to clean up their mess, including land at the UC Field Station where the hearing was held. But an Emeryville firm, LFR (Levine Fricke Recon) captured the deal with a \$20 million bid which called for the polluted soil to be buried on site rather than buried in an off-site toxic waste dump.

The Levine in the cleanup firm's corporate name is Berkeley toxic cleanup up specialist turned would-be casino developer James D. Levine, who worked years ago on the water board staff with a senior water board staff member who is closely involved in the Campus Bay project.

AstraZeneca had already spent \$20 million to remediate the site to industrial and commercial standards when the sale closed, according to a handout distributed at the meeting by Cherokee Simeon.

#### Health Director's Concerns

One of the first official voices to join Padgett's call for a DTSC takeover at the site was Contra Costa County Public Health Director Dr. Wendel Brunner.

"For a site as complex as this, the water board doesn't have the expertise or experience to handle it on their own," he declared to the applause of the audience.

"The water board persists in maintaining they have adequate expertise," Brunner said. "They have demonstrated that they do not. . .and when the developer indicated" plans to build housing, the board "should have transferred the lead to the DTSC and worked in support."

While Brunner noted that "Contra Costa County has the highest concentration of toxic and hazardous waste per capita in California," Richmond Mayor Irma Anderson noted that "Richmond has the highest incidence of cancer in Contra Costa County.

"It appears very clearly we have a legislative problem with who makes the best decisions," she added.

Brausch told the audience that California EPA Secretary Terry Tamminen "is very interested in the issues of the site here in Richmond and in the overall issues" of cooperation between the regulatory agencies.

It was then that Brausch, a veteran of 18 years with DTSC, said he would summon the heads of both agencies to his Sacramento office to work out the issue of jurisdiction.

#### Richmond Official Booed

Richmond elected and appointed officials have supported the housing

project, looking for a boost to the city's property tax base.

Steve Duran, director of the City of Richmond Community and Economic Development Department and a leading proponent of the project, came under intense questioning, and drew a chorus of disbelieving boos when he declared his agency's top priority was public health.

To Duran and other city officials, the construction of a large number of condos promises a substantial increase for the tax base of a cash-starved city government. He also cited the project's compliance with the housing goals of the county and the Association of Bay Area Governments.

Moneys generated by the site, he said, would help fund redevelopment in high-crime, low income minority neighborhoods.

A Cherokee Simeon handout distributed at the meeting and echoed on the city's website noted that the project could bring the city \$7 million in annual tax revenues for Duran's agency, \$6.8 million in impact fees to the West Contra Costa Unified School District, \$7.3 million in impact fees to the city, \$40 million for site infrastructure improvements and 500 temporary construction jobs.

Richmond City Councilmember Tom Butt, the highest vote-getter in last week's election and a recipient of donations from Cherokee Simeon, and council colleague Maria Viramontes expressed frustration at not being able to rely on state agencies for adequate supervision of the site.

In an e-mail distributed after the meeting, Butt said he had no faith in either the water board or DTSC. He also faulted city staff for relegating too much regulatory authority to the state and federal government.

Newly elected Councilmember Gayle McLaughlin, a member of the Richmond Progressive Alliance and an active project opponent before her election, joined the call for DTSC to talk the helm.

West Contra Costa School Board member Karen Fenton, a former chemical technician, praised Hancock and Brunner "for being a good guy."

#### Of Fires and Dust

Jess Kray, a Marina Bay resident and the owner of Kray Cabling where Padgett works, said he initially dismissed her concerns. "I told Sherry, the most intelligent and curious person on this planet, that 'I'm sure we're being taken care of' because I naively assumed (the regulators) acted like the fire department.

"Not only does the fire department come when they're called, but they're proactive. They come every year to my business and tell me, 'That's a fire hazard, clean it up.'

"And it's not like you can tell them when you have a fire, 'The last time you came out and put water all over everything, so this time I'm going to call the school board.' Imagine if you could shop for who puts out your fire. That would be bad for all of us."

It was an analogy Hancock later said was illuminating.

Many speakers complained of dust being generated during the current cleanup.

"There was dust last week. You couldn't see the yellow line down the middle of the road," said Weiner. "People complain, but nothing is done and the DTSC is not asked" for help.

"We need an agency that understands what air quality is about," and has the specific equipment and expertise, he said.

#### Anger, Concern Voiced

The audience applauded when Jeff Hohenstein, a BARRD member and an

instructor at Aikido of Berkeley, which has a martial arts studio a half block from the site, called for a halt to all work at the site until oversight issues are resolved.

He pointed to an Oct. 20 letter from DTSC which found fault with the water board's acceptable levels for dust leaving the site and called for a 620 percent reduction.

Tim Calhoun, owner of a business next to the site, was particularly angered that during the current phase of the cleanup, Levine Fricke ripped the cap off a portion of the buried waste to make room for temporary storage of contaminated muck being dredged out of a waterfront marsh.

Claudia Carr, a UC Berkeley professor of environmental science, policy and management in the College of Natural Resources, lives in Marina Bay in the residence closest to the project on the north.

"This is an enraging situation," said Carr, one of the first to join BARRD. "There is incredibly broadspread fear and anger, and issues of life and death. . .there must be oversight by the DTSC and EPA. I have zero faith in the water board," which, she said, relied for its scientific information on the developer and Zeneca and its cleanup agent, Levine Fricke.

The Sierra Club also wanted DTSC oversight at the project, said Norman La Force, legal chair of the club's San Francisco chapter.

DTSC "has not only public participation but long term enforcement," La Force said, "and both are absent from the water board." La Force also faulted the water board for failing to adequately address wildlife issues.

Representatives of several Richmond neighborhood associations joined in the criticism, including the Richmond Annex Neighborhood Council, the Cortez Stege Neighborhood Council, and the Richmond Panhandle council.

#### Invisible Threats

One of the main concerns of neighbors and a serious challenge to any plan to put housing on the site are the volatile organic compounds that have been detected escaping from the soil at Campus Bay.

These airborne chemicals pose a wide range of health risks and have been detected above the minimal remediation levels set by the federal Environmental Protection Agency.

Compounds detected at actionable levels include acetone, benzene, carbon disulfide, chloroform, PC, TCE and vinyl chloride.

Cherokee Simeon proposes to deal with them by installing fans to blow air through channels below the proposed housing, a plan that drew sharp comments from critics at the meeting.

#### Activists Zero In

Jane Williams, executive director of California Communities Against Toxics, represents a coalition of 70 community-based environmental justice groups across the state and has served on several state and federal advisory boards. She came from her home in Rosamond in the Mojave Desert to testify at Saturday's hearing.

Williams, an economist by training, said the push for brownfields projects "comes from the economic development process, not from the public health ethic."

While the goal of the public is protection of health and the environment, the goal of local government is to add to the tax base, and the goal of the developer is profit generation, she said.

In the case of Zeneca, she said, "It's a complete mystery how a federal Superfund site went to the state and then mysteriously appears on the

water board" agenda, a process she called "regulation by Russian roulette."

She described the Campus Bay site as "the poster child of bad outcomes," and noted that "(t)he water board has no requirements for public participation except at their board meetings."

Marlene Grossman came in from Pacoima, a city in Montañez's legislative district, where her organization, Pacoima Beautiful, is fighting a battle against water board-supervised site adjacent to a heavily populated low-income neighborhood where nearly every home reports at least one case of asthma.

Grossman's concern is a heavily contaminated site that housed a facility of bathroom hardware manufacturer Price Pfister, a subsidiary of tool company Black & Decker. The companies picked the water board to oversee the cleanup.

Grossman praised Montañez and Williams for their help in her campaign.

"Stay vigilant, and do your work well," she told Richmond activists.

#### Differing approaches

Jim Marxen, who supervises public participation for DTSC, said his agency operates on the 1984 federal Superfund guidelines.

"We have community meetings very early on to find out what issues and concerns they have. "Community input works best early, early on," he said to nods of assent from the audience.

The agency provides a 30-day comment period in the early stages of a project, and the comments and responses are posted on the agency website and mailed out as well, along with fact sheets and public notices.

In addition, a community advisory panel provides guidance throughout the cleanup process.

While Bruce Wolfe said he regarded his water board's role "as moderator between the property owner and the community" to make sure the developer is responsive and the cleanup satisfactory, Barbara J. Cook, the Berkeley-based regional head of DTSC, said her primary concern is "risk to public health."

Simeon Properties' Pitto attended the hearing but left the testifying to Dwight Stenseth, Managing Director of Cherokee, a firm that has purchased more than 330 brownfields sites in North America and Western Europe in the last 14 years.

Stenseth presented a picture of a socially responsible company teamed with "a highly reputable developer" who has worked closely with city government and community stakeholders.

"We don't necessarily care who we work with as an agency," Stenseth said.

#### Lawmakers Weigh In

"Whether it's Northern California or Southern California, the water boards are always under attack and the DTSC is seen as the model of public participation," said Montañez.

"A member of my staff was told by a member of your staff that you have neither the mandate, the money or the expertise to implement DTSC standards," Hancock told Bruce Wolfe, executive director of the San Francisco Bay water board.

"The state needs one process, and it should be the DTSC process," the Berkeley legislator declared.

"One of the key points I've learned is that the public, ordinary families,

should not have to become experts to go about their daily life," Hancock said as the hearing grew to a close. "There needs to be a single process, transparent to all. This is the beginning, and there's a ways to go.

"I'm very encouraged that there was a commitment from Cal EPA to sit down Monday and make sure the cleanup is done in a way that's good for all of us."

Afterwards, she said she preferred to see the DTSC designated as the lead agency. "We need what DTSC can provide and we need it now," she said.

Montañez said Assembly Speaker Fabian Nuñez is deeply concern with the issues raised at the hearing, and that Hancock's concerns "have very strong backing from the members of the Legislature."

Hancock wants legislation that will mandate public participation in all brownfields projects, and Montañez said the statutes will be introduced later this year.

Both were encouraged that Brausch had called the meeting Monday to hash out jurisdiction over the campus Bay site.

Padgett, Carr and the other activists said they hope Saturday's hearing marks a turning point.

"I do believe I felt the earth move," said Kray

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