

2010 JUN 30 PM 5:45

**REDEVELOPMENT AGENCY
OF THE CITY OF OAKLAND
AGENDA REPORT**

TO: Office of the Agency Administrator
ATTN: Dan Lindheim
FROM: Community and Economic Development Agency
DATE: July 13, 2010

RE: **An Agency Resolution Authorizing The Acquisition of 3.41 Acres Of Real Property At The Fruitvale BART Parking Lot Located In The Coliseum Redevelopment Project Area, From The San Francisco Bay Area Rapid Transit District, For \$6,000,000, And Authorizing Up To \$20,000 For Real Estate Closing Costs**

SUMMARY

Community and Economic Development Agency (CEDA) staff is recommending that the City of Oakland Redevelopment Agency (Agency) authorize the purchase of 3.41 acres ("Property") of real property (APN: 033-2197-019 and 033-2177-021) at the Fruitvale BART Parking Lot located in the Coliseum Redevelopment Project Area, from the San Francisco Bay Area Rapid Transit District (BART), for \$6,000,000, and authorizing up to \$20,000 for real estate closing costs.

The Property located on East 12th Street between 35th Avenue and 37th Avenue is part of the Phase II development of the Fruitvale Transit Village, shown on the Attachment "A" Map. The Phase II development project is located north of the existing BART Fruitvale Station and east of the Phase I of the Transit Village, which consists of a mix use development including retail, office, and 47 residential dwelling units.

BART owns the Property and uses the Property for parking. The Property provides 547 surface parking spaces for the public.

According to the Market Value Report from Real Estate Decisions Company, the estimated market value of the fee simple interest in the Property in the "as is" condition is \$6,000,000 or \$40 (rounded) per square foot (based on 148,731 square feet) as of January 8, 2010. The appraisal assumes the proposed improvements to the Property include:

Residential Units: 275 units (181 market rate units and 94 below market rate units)
Surface Parking Stalls: 289 stalls
Parking Garage: 277 stalls

Item: _____

Community and Economic Development Committee
July 13, 2010

The Agency issued Series 2006 A Taxable Bonds for the Central City East and the Coliseum Redevelopment Areas for the acquisition of vacant, blighted, obsolete, and underutilized properties in each prospective area. Funds are available to purchase this underutilized Property.

The purchase of the Property is for site control for the future development of the Phase II development of the Fruitvale Transit Village. If the Property is purchased, staff contemplates entering into a Exclusive Negotiating Agreement and a subsequent Developer Disposition Agreement with the Unity Council and Signature Properties for the development of the Property.

FISCAL IMPACT

The acquisition costs estimate of the Property is \$6,000,000 plus the closing costs of \$20,000. Funds for the acquisition are available from the Coliseum Tax Allocation Bond Series 2006B-T (Taxable) Bond Fund (9456), and Capital Improvement Project – Economic Development Organization (94800), Coliseum Land Acquisition Project (T315820).

BACKGROUND

The Property used for BART parking includes 547 surface parking stalls and consists of the following:

Location	Assessor's Parcel Numbers	Land Area (acres)
35 th Ave. & E.12 th Street	033-2197-019	2.00
36 th Ave. & E.12 th Street	033-2177-021	1.41
Total		3.41

The Property is located within the Coliseum Redevelopment Project Area. The general objective for the acquisition is to gain control of the Property for future development. The existing BART parking lot will be improved with a mixed-use development including 275 residential units, 289 surface parking stalls and 277 stall parking garage.

KEY ISSUES/IMPACTS

The key issue is whether the City should purchase the Property for \$6,000,000 plus the payment of the customary closing costs for \$20,000. Staff recommends the purchase for the following reasons:

1. The purchase of the Property presents a unique opportunity for the City to control future use of this Property.
2. The Property is located next to the Fruitvale BART Station and the recently completed Phase I Transit Village development providing an opportunity to complement and to

Item: _____

expand on the success of the Phase I Transit Village development and centralize the neighborhood activities in the area.

3. The improvements to the Property for the mixed use development is consistent with the Coliseum Redevelopment Plan and will help to eliminate the existing blighted condition and improve the public safety for the residents of the Coliseum Redevelopment Project Area.

SUSTAINABLE OPPORTUNITIES

Economic: The use of the Property for mixed-use development will complement and maximize the development potential of the Fruitvale District. This project will improve neighborhood conditions and make the neighborhood area more attractive to current and prospective residents, tenants and businesses that can provide employment within Oakland.

Environmental: The acquisition of the Property is expected to contribute to smart growth by stimulating neighborhood use of the existing Fruitvale District and the expansion of the Fruitvale Transit Village.

Social Equity: The neighborhood has suffered from economic blight and an absence of new construction for an extended period. The proposed acquisition and use of the Property for a mixed-use development provides a positive stimulus to the neighborhood where the development of vacant land is both welcomed and important to continued neighborhood growth and stability.

DISABILITY AND SENIOR CITIZEN ACCESS

Seniors and people with disabilities may benefit from the purchase of the Property especially if the proposed mix use development includes businesses catering to their needs. To the extent that the proposed mixed-use development involves seniors and people with disabilities, they will all benefit from the purchase and use of the Property.

RECOMMENDATION AND RATIONALE

Staff recommends the adoption of an Agency resolution authorizing the purchase of 3.41 acres of real property (APN: 033-2197-019 and 033-2177-021) at the Fruitvale BART Parking Lot located in the Coliseum Redevelopment Project Area, from the San Francisco Bay Area Rapid Transit District (BART), for \$6,000,000, and authorizing up to \$20,000 for real estate closing costs.

Approving the Agency resolution will allow the Agency to purchase the Property and redevelop the Property for a mixed-use development.

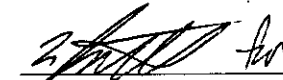
Item: _____

Community and Economic Development Committee
July 13, 2010

ACTION REQUESTED OF THE AGENCY

Adopt the Agency resolution authorizing the purchase of 3.41 acres ("Property") of real property (APN: 033-2197-019 and 033-2177-021) at the Fruitvale BART Parking Lot located in the Coliseum Redevelopment Project Area, from the San Francisco Bay Area Rapid Transit District (BART), for \$6,000,000, and authorizing up to \$20,000 for real estate closing costs.

Respectfully submitted,

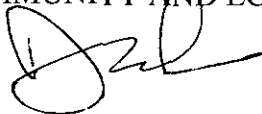


Walter S. Cohen, Director
Community and Economic Development Agency

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

Prepared by: Hamid Ghaemmaghami
Real Estate Agent
Real Estate Division

APPROVED FOR FORWARDING TO
COMMUNITY AND ECONOMIC DEVELOPMENT COMMITTEE



Office of the Agency Administrator

Item: _____

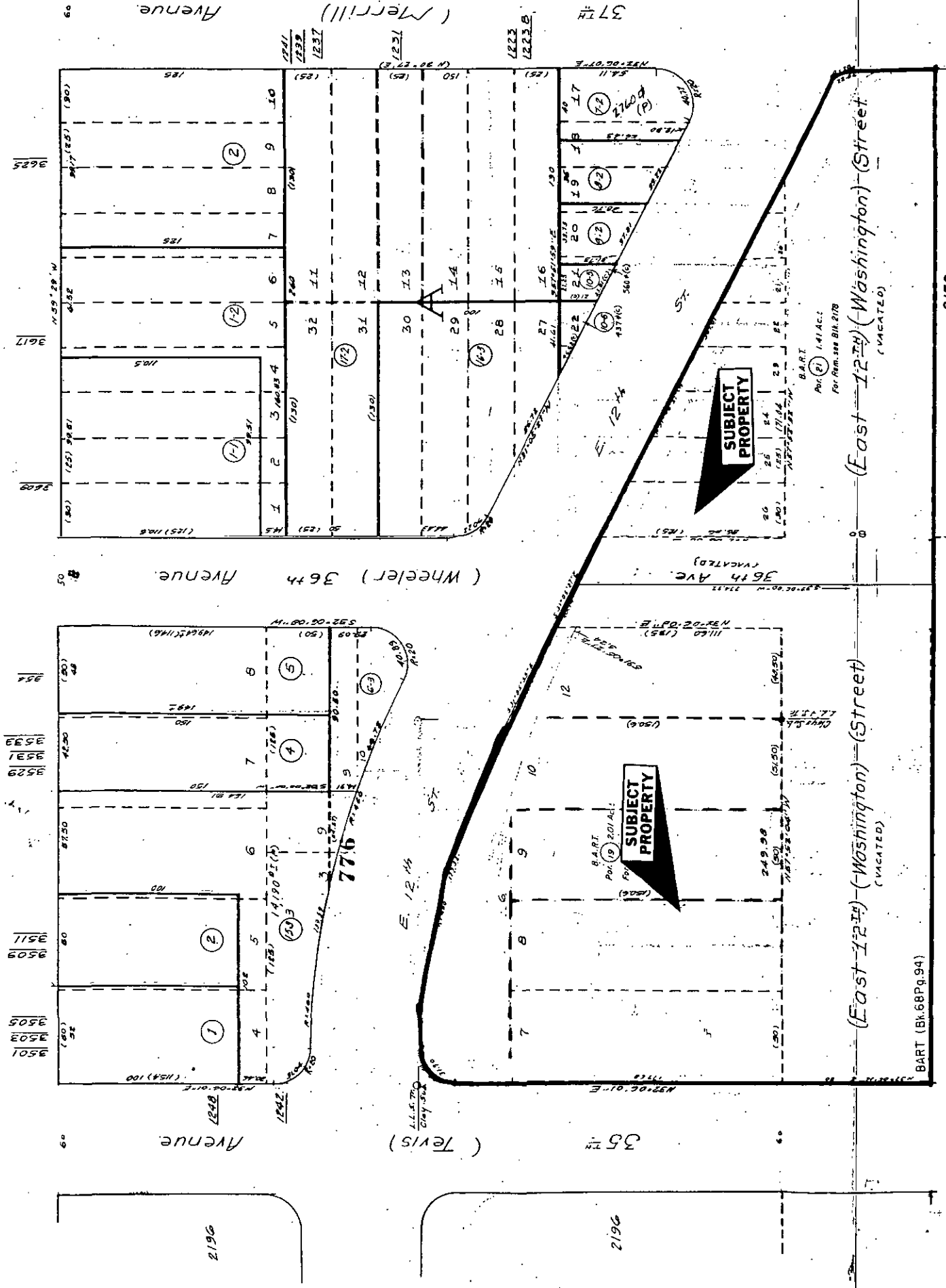
Community and Economic Development Committee

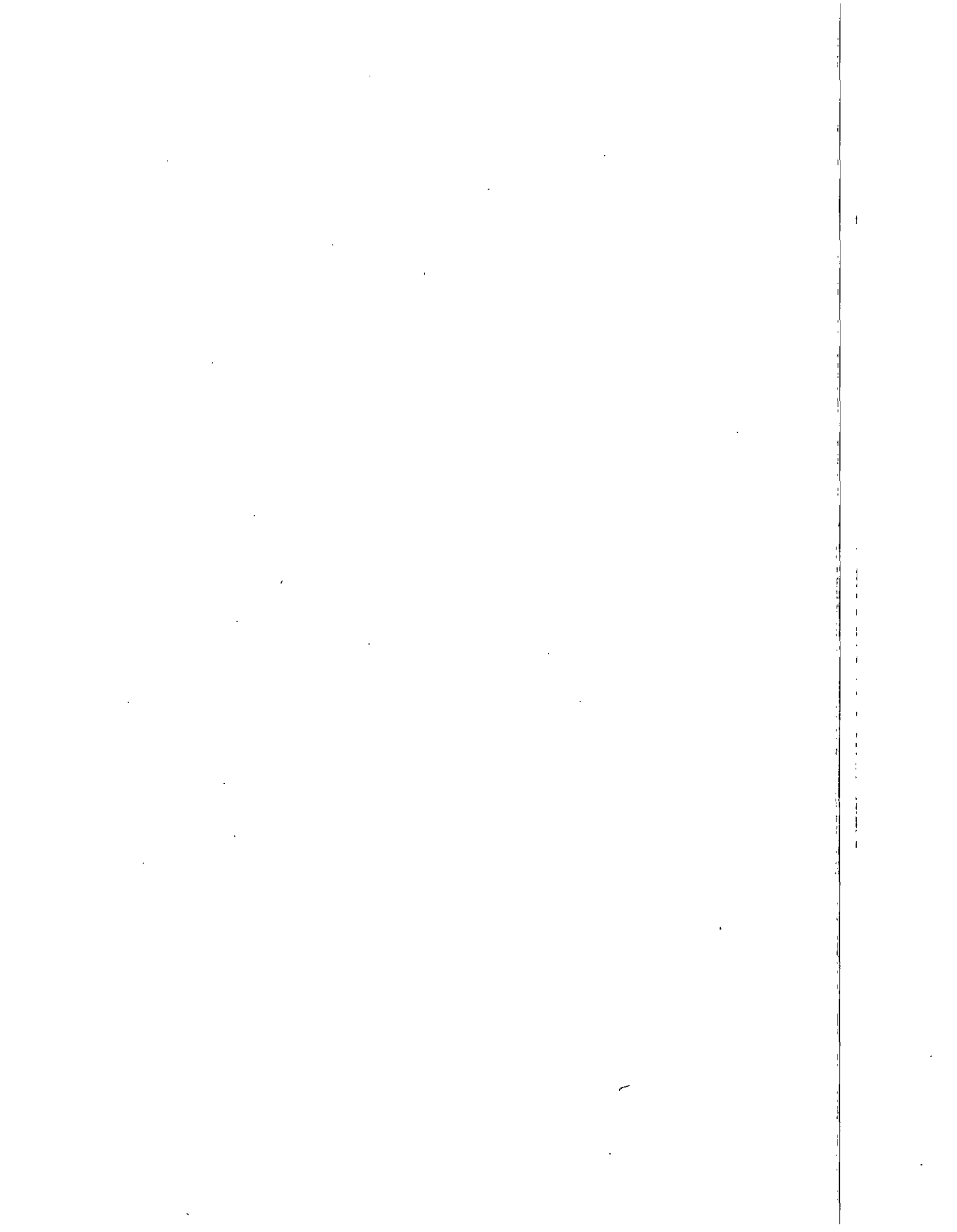
July 13, 2010

ATTACHMENT "A"

East 14th Street

Street





DRAFTFILED
OFFICE OF THE CITY CLERK
OAKLAND

Agency Counsel

2010 JUN 30 PM 6:37

**REDEVELOPMENT AGENCY
OF THE CITY OF OAKLAND**

RESOLUTION No. _____ C.M.S.

**AN AGENCY RESOLUTION AUTHORIZING THE ACQUISITION OF
3.41 ACRES OF REAL PROPERTY AT THE FRUITVALE BART
PARKING LOT LOCATED IN THE COLISEUM REDEVELOPMENT
PROJECT AREA, FROM THE SAN FRANCISCO BAY AREA RAPID
TRANSIT DISTRICT, FOR \$6,000,000 AND AUTHORIZING UP TO
\$20,000 FOR REAL ESTATE CLOSING COSTS**

WHEREAS, the Redevelopment Agency wishes to purchase the Fruitvale BART parking lot consisting of two parcels (APN: 033-2197-019) and (APN: 033-2177-021), shown on Exhibit "A" on E. 12th Street between 35th Avenue and 37th Avenue in the Coliseum Redevelopment Project Area from the San Francisco Bay Area Rapid Transit District to alleviate general blight and redevelop those parcels for mixed use development; and

WHEREAS, the Redevelopment Agency is implementing projects in the Coliseum Redevelopment Project Area as part of the Redevelopment Plan to reduce blight and reuse land in the Redevelopment Area; and

WHEREAS, Section 33445 of the California Health and Safety Code authorizes a redevelopment agency to pay for land costs or the cost of installation or construction of publicly-owned facilities, if the legislative body has consented to such funding and has made certain findings; and

WHEREAS, the acquisition of the parcels is exempt from the California Environmental Quality Act (CEQA) under Section 15061(b)(3) (no possibility of significant environmental impact), Section 15183 (projects consistent with a General Plan), Section 15301 (existing facilities), and Section 15308 (actions by regulatory agencies to protect the environment) of the CEQA Guidelines; and

WHEREAS, sufficient funds are available from the Coliseum Tax Allocation Bond Series 2006B-T (Taxable) Bond Fund (9456) to complete acquisition of the Fruitvale BART parking lot parcels; and

WHEREAS, the City Council is consenting to the use of Agency funding for the acquisitions pursuant to Section 33445 of the California Health and Safety Code; now, therefore, be it

RESOLVED: That the Agency hereby authorizes the acquisition of the Fruitvale BART parking lot; and be it

FURTHER RESOLVED: That a total of \$6,000,000 plus real estate closing cost of up to \$20,000 will be allocated from Coliseum Tax Allocation Bond Series 2006B-T (Tax Exempt) Bond Fund (9455), Capital Improvement Project – Economic Development Organization (94800), Coliseum Land Acquisition Project (T315820), for the purchase of the parcels; and be it

FURTHER RESOLVED: That such funds shall be established for the acquisition of the subject parcels; and be it

FURTHER RESOLVED: That the Agency hereby finds and determines as follows:

1. That the funding of the acquisition of the Fruitvale BART parking lot will benefit the Coliseum Redevelopment Project Area by alleviating blight conditions in the Coliseum Redevelopment Project Area and redeveloping an existing parking lot for mixed use development;
2. That the use of tax increment funds from the Coliseum Redevelopment Project Area will assist in the elimination of blight in those project areas by providing site control that facilitates the City's upgrading of Fruitvale BART parking lot, and convert the it into productive use as a mixed use development, consistent with the implementation plans adopted for the Coliseum Project Areas; and be it

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

IN AGENCY, OAKLAND, CALIFORNIA, _____, 2010

PASSED BY THE FOLLOWING VOTE:

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

NOES-

ABSENT-

ABSTENTION-

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

EXHIBIT "A"

East 14th Street

