

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

TO: Agency Administrator
ATTN: Deborah Edgerly
FROM: Community and Economic Development Agency & Oakland Base Reuse Authority
DATE: December 14, 2004

RE: **ANNUAL UPDATE REPORT ON THE OAKLAND ARMY BASE PROJECT**

SUMMARY

Since the transfer of the Oakland Army Base (OARB) from the Army on August 7, 2003, the Oakland Base Reuse Authority (OBRA) has been carrying out its Master Program to ready the Base for development. In August 2006, portions of the former OARB property will be transferred to the Oakland Redevelopment Agency (Agency) and Port of Oakland (Port) for development of the Gateway and Port Development Areas, respectively (see Attachment 1: "OARB Development Areas").

OBRA is working to fulfill its obligations under the conveyance agreements and other commitments by removing regulatory constraints, commencing environmental cleanup, acquiring additional OARB property, conducting pre-development planning, and generating leasing revenues that support these and other OARB-related activities. For a summary of the current status of these activities, please see Attachment 2: "OARB Master Program Update Chart." The goal of the OARB Master Program is to add value to the Base's assets and to prepare the property for transfer to the Agency and the Port in August 2006.

This report describes the completed actions and critical issues of OBRA's successful first year of ownership of the Oakland Army Base property.

FISCAL IMPACT

This is an informational report and has no fiscal impacts.

OBRA is responsible for covering all its own costs, including personnel, certain city services, operational expenses, and professional services costs such as legal, environmental, property management, engineering, and leasing support required for various conveyance actions. Since 1999, OBRA has also reimbursed the Agency for staff support services related directly to the closure, reuse, and redevelopment of the OARB. OBRA's primary funding source is its leasing revenues, which may only be used to support specific OBRA activities under the original transfer agreement with the Army.

BACKGROUND

Conveyance

In August 2003, the Army conveyed 363.5 acres of the former Army Base to OBRA under an Early Transfer Agreement and via a no-cost Economic Development Conveyance (EDC). OBRA is now in Year 2 of a three-year post-conveyance period or "trust period," during which it will continue its leasing program of Base facilities while conducting pre-development planning and the most critical environmental cleanup. At the end of trust period, OBRA and the Port will record the deeds to their respective development areas, and OBRA will transfer its property to the Agency for development.

Conveyance Approach and Agreements

Before the transfer by the Army, the City and Port agreed that OBRA would acquire the OARB property through a single conveyance from the Army, and then that OBRA would deed the East Maritime area to the Port at the end of the trust period. The complex and interdependent agreements by which the City took ownership of the OARB were designed to protect and maximize the City's interest. These agreements are codified in the OARB City-Port MOA, several of which include the following:

- **City and Port Development Areas:** Comprising approximately 170 acres, the City's Gateway Development Area (GDA) will consist of most of the property lying to the west of the existing Maritime Street ("West Maritime"), including the "Wharf" area, and the parcels north of West Grand Avenue ("North Gateway"), which include the Army Reserve "Subaru Lot." The Port's Development Area will consist of the 155-acre "East Maritime" area, where the Port plans to build an expanded joint intermodal terminal, and the future "Berth 21" area of about 76 acres of submerged and waterfront land.
- **Tidelands Trust Designation:** In order that the City may realize the maximum development value of its property, the parties agreed to jointly seek a public trust exchange from the California State Lands Commission, to free the GDA from the public "tidelands" trust designation and impose the trust on the Port's East Maritime area. The West Maritime area is currently subject to the trust. The trust limits the types of allowable development and restricts use of trust property proceeds. The proposed trust exchange is discussed in further detail below.
- **Reinvestment Obligations:** OBRA and its successors must reinvest any proceeds from the property transferred by the Army (or "EDC property") for seven years after conveyance, and must cooperate with the Army on regular reporting and audits during that period.
- **Environmental Remediation:** The Army and the State Department of Toxic Substances Control (DTSC) have imposed environmental remediation obligations upon the City and Port, who will jointly fund and conduct the cleanup.

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Oakland Army Base Master Program

Program Highlights

On June 30, 2004, staff formally presented to the OBRA Governing Body the OARB Master Program which may be found in Attachment 3 to this report. The Master Program activities generally fall within four tracks of action:

- Track 1: Fulfill Obligations of the August 7, 2003 Conveyance
- Track 2: Fulfill Other Contractual Commitments
- Track 3: Remove Regulatory Hurdles and/or Complete Land Control Actions
- Track 4: Facilitate Pre-Development Planning

The Master Program contains detailed descriptions of each activity by “track,” the timeframe for each activity, and the parties responsible for implementation. In the June 30 presentation, staff highlighted the “Top Ten” activities that were critical to the overall success of the project:

- (1) Adherence to the EDC MOA provisions
- (2) Implementation of the Environmental Remediation Agreements
- (3) Completion of Activities specified in the City-Port MOA
- (4) Continued Operation of the Leasing Program and Utilities Management efforts
- (5) Resolution of Outstanding Homeless Assistance and JATC accommodation issues
- (6) Completion of the State Lands Commission Public Trust Exchange process
- (7) Acquisition of the Subaru Lot
- (8) Amendment of the BCDC Seaport Plan
- (9) Completion of Pre-Development Planning Evaluations to assist the Agency in refining the reuse scenario for the site, and finally,
- (10) Transfer of all required Real Estate Deeds on August 7, 2006

Recently Completed Activities

While most of the Master Program activities will occur over a multi-year period, the following major activities have recently been completed:

- **Homeless Accommodation:** With the Agency’s approval of the Amended and Restated MOU with the Port and homeless service providers on November 16, 2004, OBRA has fulfilled the federal requirement that it provide no-cost leases to qualifying local homeless service providers, or to provide the monetary equivalent.
- **Subaru Lot Transaction:** Escrow closed on this transaction on November 18, 2004, completing the acquisition of the 19-acre Subaru Lot from Army Reserve for immediate development.

- **Transfer of Leases:** OBRA has entered into direct leases with all Army Base tenants, with all tenants to vacate prior to the end of the trust period in August 2006.
- **Environmental Remediation Program:** OBRA has established an environmental remediation funding program with the Army and a cooperative environmental remediation program with the Port for carrying out the OARB remediation requirements.
- **Reinvestment Program:** OBRA and the Army have established a reinvestment and reporting program.
- **Army Consent for Use of Base Revenues:** OBRA has obtained consent from the Army to expand allowable uses for Army Base proceeds to include the acquisition of the Subaru Lot, relocation of homeless service providers, and environmental remediation.
- **Pre-Development Achievements:** OBRA has initiated the preliminary pre-development planning and land use analysis for specific subareas of the Base.
- **EIR Milestones:** OBRA has calculated the costs of mitigations and infrastructure improvements required by the OARB Redevelopment Plan Environmental Impact Report (EIR), and has explored a fair-share funding strategy therefor.

KEY ISSUES AND IMPACTS

Our goal is to keep the Agency actively involved in shaping the direction of the Army Base project. We bring the following key issues to the Agency's attention:

(1) **State Lands Commission Public Trust Exchange; Negotiations with Caltrans**

Exchanging the Base's public trust designation is critical to the Agency's ability to maximize its development options for the Gateway Development Area. In 2004, State Senator Don Perata sponsored state legislation to authorize the exchange on behalf of the City and Port. Although the bill passed unanimously in both houses, last-minute demands by Caltrans (described below) prevented the Governor from signing the bill. In his veto message dated September 30, Governor Schwarzenegger noted that the parties were unable to negotiate an equitable agreement prior to the end of the legislative session, and that he looked forward to signing the bill once the Caltrans issues were worked out.

Caltrans is interested in acquiring a piece of land known as the "Port Sliver Parcel," which lies adjacent to the Caltrans maintenance yard near the Bay Bridge. The Port Sliver is one of the parcels included in the trust exchange, and was to be deeded to the Agency at the end of the trust period. OBRA is now in discussions with Caltrans representatives to negotiate an option agreement for Caltrans to be able to acquire the property, in exchange for certain easements and other consideration including Caltrans' support of the trust exchange legislation.

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OBRA intends to reintroduce the legislation at the earliest possible opportunity in January 2005. In order to move forward and resolve the Caltrans issues, OBRA is (1) negotiating agreements with Caltrans and the Port to satisfy the needs of all parties, and ensure Caltrans' support for the legislation; and (2) coordinating with the Port and Senator Perata's office on reintroducing the bill.

(2) City-Port Relationship

The Agency/OBRA/City and Port signed a comprehensive "City-Port Memorandum of Agreement for the Oakland Army Base" (City-Port MOA) on July 8, 2003, outlining joint and individual commitments of the parties for conveyance and related programs. At the time the City-Port MOA was signed, several issues were continuing to evolve, and the parties agreed that the MOA would be revised in the future to accommodate necessary changes.

Under the City-Port MOA, the parties' joint responsibilities and commitments include:

- Achieving the tidelands trust exchange referenced above;
- The environmental remediation program;
- Coordination of tenant phase-out program to occur 2005-2006;
- Development planning, including infrastructure;
- Accommodation of homeless service providers;
- Community Trust Fund payment;
- Ultimate conveyance of real property at the end of the trust period;
- Other issues such as maintenance of the Army Base facilities and services, utilities, and easements.

The following issues are unresolved:

- Amending the Consent Agreement between OBRA and DTSC regarding environmental remediation to assign certain obligations to the Port;
- Definitions and costs of Berth 21 area marine sediments;
- Shared transaction costs for ultimate conveyance of Army Base property;
- Process for allocation and timing of "Fair Share" costs for EIR mitigations;
- Allocation of Caltrans settlement payments for its construction easements.

The City's relationship with the Port has a substantial impact on the future of OARB development direction, and requires continued strategic political leadership.

(3) OARB Development Program, Timing and Upcoming Decisions

The parties involved have long recognized the significant economic development opportunity at the Army Base, to supplement the City's economic base, supply needed business services, support a successful Port maritime expansion effort, produce employment for Oakland residents, generate revenues, and create a western entry to the city of which the citizens can be proud. The Agency promoted (and the OBRA later incorporated into its OARB Final Reuse Plan) the

“Flexible Alternative” development scenario for the Army Base which consisted of a mixture of *light industrial, office, research and development, ancillary maritime, retail, warehouse and distribution, open space and possibly hotel activities*. The “Flexible Alternative” is a menu of acceptable land use activities that could be further refined by market conditions and demands at the time the OARB is developed. The issue is that in 2005, more specific direction from the Agency regarding refinement of the existing array of development options and approach will be required in order to position the Agency to begin implementing its development project in August 2006.

In anticipation of the significant development decisions that will need to be made over the next year, OBRA facilitated an Interdepartmental Work Session on October 28, 2004 for senior City staff to discuss the development issues, opportunities/constraints, and priorities that must be integrated into City Council and Agency policy decisions regarding the OARB property. As an outcome of the work session, staff is obtaining land use, market and sector economic analyses for the Army Base site and the various proposed uses to assist the decision makers in assessing the full array of options. The goal is to provide the Agency with all of the options to maximize the site’s potential. Staff will present its findings to the Agency in early 2005.

(4) Status of Ongoing OARB Master Program Components

A summary of the status of the various Master Program activities is depicted on Attachment 2 (“Oakland Army Base Master Program Update”). We highlight below the most important efforts.

Environmental Remediation Program

The OBRA-Port environmental remediation program is underway. The Army is committed to pay \$13 million toward the cleanup; OBRA/Agency/City and the Port committed to contribute a one-half share of the remaining \$11 million to conduct the required program. The Consent Agreement with DTSC identifies seven sites for priority cleanup within five years of transfer and approximately 140 locations that are less contaminated and will be cleaned up during the 10 years following transfer.

OARB Leasing Program

The OARB Leasing Program, which began in July 1999 and is located on the property East of Maritime, is now in the final 18 months of operation. The phased closing of the program begins in December 2005 with the termination of the majority of the leases of office space in the southern portion of the Base (below West 14th Street). The warehouse leases in the northern portion of the Base (between West 14th Street and West Grand) will continue through August 6, 2006. The warehouse tenants generate the bulk of OBRA’s leasing revenue, so those leases will be maintained as long as possible. OBRA will continue to maximize revenue-generating opportunities through flexible, short-term leases, balanced by a reduction in operating costs commensurate with the reduction in size of the leasing program. All leasing activity will cease as of the end of trust period on August 6, 2006.

Army Base Utilities Program

The utilities program has been in service since July 2000, supporting the leasing program by providing electricity, water, sewer, and natural gas services to the tenants. OBRA has entered into a new 20-year electricity contract with the Western Area Power Administration (WAPA) for the period January 1, 2005 through December 31, 2024.

OBRA assumed its existing WAPA contract from the U.S. Department of the Army. It is a comprehensive contract in that it has provided the myriad transmission, delivery, scheduling, and supplemental purchasing contracts that are necessary to deliver the power that the leasing program requires. However, changes in the California electricity marketplace have resulted in the transfer of these services to the customer; effective January 1, 2005, OBRA and other WAPA customers are responsible for identifying and selecting alternative operating models for the delivery of electricity.

Staff is in negotiation with the Port of Oakland to provide electricity management services, including the management of OBRA's WAPA allocation, contracting with the Northern California Power Agency (a Joint Action Agency) for the scheduling and delivery of electricity, and the contracting for the purchase of market-based auxiliary power if OBRA requires electricity beyond what WAPA is able to generate for its customers. In collaboration with the City's Public Works Agency (Electrical Services) staff explored the options for purchasing these services directly from WAPA, as well as contracting with the Northern California Power Agency for the provision of some of these services, and determined that an agreement with the Port was both cost competitive, and would maximize the benefit of the Port staff's technical expertise and experience.

SUSTAINABLE OPPORTUNITIES

This report does not include approval of any specific projects addressing sustainable opportunities, however, as specific plans and agreements for the North Gateway Development Area and other areas of the GDA are prepared, those agreements can incorporate sustainable opportunities.

DISABILITY AND SENIOR CITIZEN ACCESS

This report does not include the approval of any specific projects or programs. Disability and senior access issues will be addressed when specific development plans are submitted to the City by the developer for review and approval.

RECOMMENDATION AND RATIONALE

Staff recommends that the City Council and Agency accept this report.

ACTION REQUESTED OF THE CITY COUNCIL

Staff recommends that the City Council and Agency accept this report.

Respectfully submitted,



Claudia Cappio
Director of Planning, Building Services,
Major Projects, and OBRA
Community and
Economic Development Agency

Prepared by:
Aliza Gallo, Executive Director
Oakland Base Reuse Authority

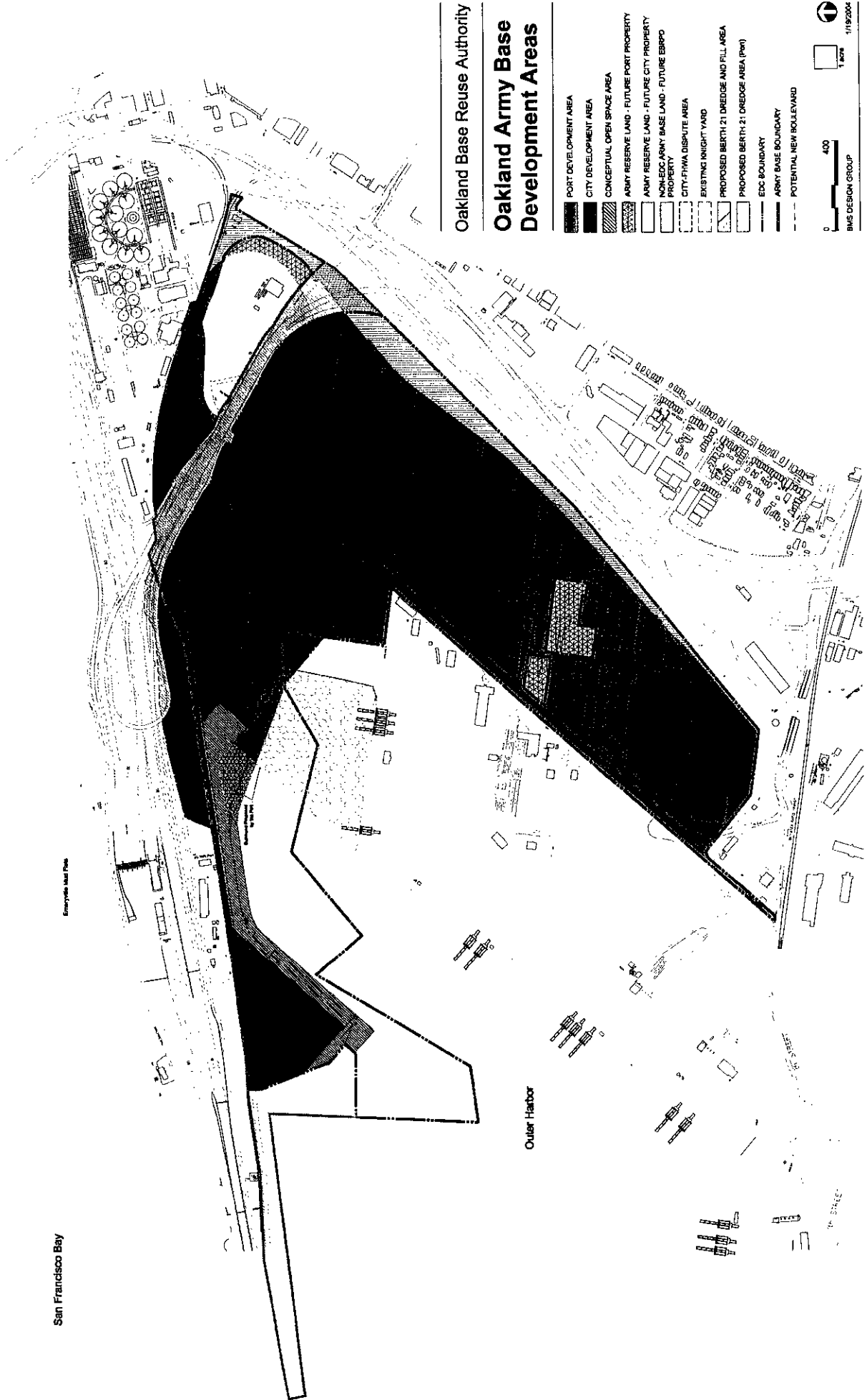
APPROVED AND FORWARDED TO THE
COMMUNITY AND ECONOMIC DEVELOPMENT COMMITTEE:



OFFICE OF THE AGENCY ADMINISTRATOR

Attachments:

1. OARB Development Areas Map
2. OARB Master Program Update Chart
3. OARB Master Program Activities List and Matrix



San Francisco Bay

Outer Harbor

Enterprise Hill Park

Oakland Base Reuse Authority
**Oakland Army Base
 Development Areas**

- PORT DEVELOPMENT AREA
- CITY DEVELOPMENT AREA
- CONCEPTUAL OPEN SPACE AREA
- ARMY RESERVE LAND - FUTURE PORT PROPERTY
- ARMY RESERVE LAND - FUTURE CITY PROPERTY
- NON-EDC ARMY BASE LAND - FUTURE EBRPD PROPERTY
- CITY-FRMA DISPOSITE AREA
- EXISTING KNIGHT YARD
- PROPOSED BERTH 21 DREDGE AND FILL AREA
- PROPOSED BERTH 21 DREDGE AREA (POT)
- EDC BOUNDARY
- ARMY BASE BOUNDARY
- POTENTIAL NEW BOULEVARD

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 BMS DESIGN GROUP
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OAKLAND ARMY BASE (OARB) MASTER PROGRAM UPDATE

Summary for Reporting Period : SEPTEMBER 20, 2004 – DECEMBER 13, 2004

TASK/ACTIVITY <i>[Refer to OAKLAND ARMY BASE MASTER PROGRAM for detailed descriptions of the tasks/activities cited in this Update]</i>	STATUS <i>[This Update highlights the status of OARB Master Program "Short-Term" Tasks--those targeted for completion by June 30, 2005]</i>	POTENTIAL ISSUES, CONCERNS or UPCOMING RELATED ACTIONS
Track 1 Activities: FULFILL OBLIGATIONS OF THE AUGUST 7, 2003 CONVEYANCE		
<p>❖ Amended & Restated City/Port Memorandum of Agreement (ARMOA)</p>	<ul style="list-style-type: none"> ▪ Efforts to address outstanding conflicts still underway ▪ ARMOA drafts exchanged between City and Port staff since September 2003; staff has requested the Port's written comments to City draft of June 22, 2004 ▪ City Administrator and CEDA Director involved and committed to resolving remaining ARMOA issues 	<p>ISSUES:</p> <ul style="list-style-type: none"> ▪ OARB Environmental Program funding uses and definitions of remediation responsibilities, Consent Agreement assignment terms, Berth 21 area marine sediments definition and costs, Shared Conveyance Transactions costs, EIR Fair Share mitigation responsibilities, and allocation of Caltrans settlement payments for its construction easements are examples of unresolved issues ▪ Majority of pre-conveyance costs have been covered by OBRA and reimbursement from Port is due; funding to be used for Reuse Plan obligations
<p>❖ Environmental Remediation Program</p>	<ul style="list-style-type: none"> ▪ Project proceeding as planned ▪ Community Newsletter describing remediation activities undergoing review by Department of Toxic Substances Control (DTSC); will be mailed to area residents and interested parties once review is completed ▪ Tenant site visits to ensure tenants' activities are consistent with Hazardous Materials Disclosure Certificate underway; to be completed by end of December 2004 ▪ Contracts for Laboratory Services completed ▪ Survey of tenants' sites for asbestos completed, and affected tenants notified; actions to address asbestos issues at each affected site forthcoming ▪ Pre-Qualifications Questionnaire for Building 1 Remediation Program distributed; responses due December 20, 2004 ▪ ESCA reporting completed as required 	<p>NO MAJOR ISSUES</p> <ul style="list-style-type: none"> ▪ The following additional services will be required and contracts procured through OBRA within the next 6 months: <ul style="list-style-type: none"> - As-needed Engineering Services, Environmental Services, and Hazardous Waste Services
Track 2 Activities: FULFILL OTHER CONTRACTUAL COMMITMENTS		

Legend: TRACK 1 ACTIONS: Conveyance Obligations TRACK 2 ACTIONS: Other Contractual Commitments TRACK 3 ACTIONS: Removal of Regulatory Constraints & Completion of Land Control Actions TRACK 4 ACTIONS: Pre-Development Facilitation

TASK/ACTIVITY <i>[Refer to OAKLAND ARMY BASE MASTER PROGRAM for detailed descriptions of the tasks/activities cited in this Update]</i>	STATUS <i>[This Update highlights the status of OARB Master Program "Short-Term" Tasks--those targeted for completion by June 30, 2005]</i>	POTENTIAL ISSUES, CONCERNS or UPCOMING RELATED ACTIONS
❖ Amended & Restated Homeless Memorandum of Understanding (ARMOU) [also know as 'Amended and Restated Legally Binding Agreement']	<ul style="list-style-type: none"> ▪ Consent to Assignment of Homeless Accommodation provisions from the Alameda County Homeless Collaborative to the Oakland Army Base Workforce Development Collaborative approved by OBRA on September 20, 2004 and by Agency on November 16, 2004 ▪ ARMOU for an Alternate Homeless Assistance Accommodation with the Oakland Army Base Workforce Development Collaborative approved by OBRA on September 20, 2004, by the Port on October 19, 2004, and by the Agency on November 16, 2004 ▪ HUD consented to the ARMOU ▪ Letter Agreement with Workforce Development Collaborative approved by Agency on November 16, 2004 ▪ 4 new leases with Homeless Service providers to be signed ▪ Implementation Agreement between Port, Agency and OBRA to be signed 	<ul style="list-style-type: none"> ▪ Approval actions completed ▪ OBRA/Port funding actions anticipated to be completed no later than June 1, 2005
❖ Joint Apprenticeship Training Committee Memorandum of Agreement (JATC MOA)	<ul style="list-style-type: none"> ▪ MOA under development; JATC lease needs to be signed first; preparation of lease underway 	NO MAJOR ISSUES <ul style="list-style-type: none"> ▪ JATC MOA to be submitted for Agency approval in early Spring 2005
❖ Leasing & Utility Management Programs	<ul style="list-style-type: none"> ▪ Both programs proceeding as scheduled; leasing program to terminate August 6, 2006 ▪ Leasing Program occupancy rate @ approx. 92 percent ▪ Utility Services Agreement is a requirement of the City/Port MOA and is under review by City Attorney's Office and Port Legal Counsel ▪ Contract with Ameritac to perform utility systems maintenance being finalized 	NO MAJOR ISSUES WITH LEASING PROGRAM ISSUE REGARDING UTILITY PROGRAM: <ul style="list-style-type: none"> ▪ Utility systems are antiquated and staff anticipates major repairs; strategic planning with Port necessary to maintain utility systems in a cost-efficient manner
Track 3 Activities: REMOVE REGULATORY CONTSTRAINTS & COMPLETE LAND CONTROL ACTIONS		
❖ Subaru Lot Acquisition From Army Reserves Enclave	<ul style="list-style-type: none"> ▪ All environmental, regulatory, financial and real estate negotiations and transactions for acquisition of the 19-acre Subaru Lot completed ▪ Escrow closed on November 18, 2004 	NO MAJOR ISSUES <ul style="list-style-type: none"> ▪ Letter Amendment to the OARB Consent Agreement to incorporate the Subaru Lot into the existing OARB Remedial Action Plan and Risk Management Plan (RAP/RMP) is required

Legend: TRACK 1 ACTIONS: Conveyance Obligations TRACK 2 ACTIONS: Other Contractual Commitments TRACK 3 ACTIONS: Removal of Regulatory Constraints & Completion of Land Control Actions TRACK 4 ACTIONS: Pre-Development Facilitation 2

TASK/ACTIVITY <i>[Refer to OAKLAND ARMY BASE MASTER PROGRAM for detailed descriptions of the tasks/activities cited in this Update]</i>	STATUS <i>[This Update highlights the status of OARB Master Program "Short-Term" Tasks--those targeted for completion by June 30, 2005]</i>	POTENTIAL ISSUES, CONCERNS or UPCOMING RELATED ACTIONS
		<ul style="list-style-type: none"> ▪ Agency approval and authorization for Agency Administrator to sign the Letter Amendment already secured ▪ DTSC requires City Administrator to sign the Letter Amendment ▪ Authorization for City Administrator to sign the Letter Amendment to be forwarded to the City Council for consideration on December 14, 2004
❖ Sale of 2.51 Acres of Subaru to Port of Oakland per OARB MOA	<ul style="list-style-type: none"> ▪ Sale of property to Port completed November 18, 2004 	NO ISSUES <ul style="list-style-type: none"> ▪ Action completed ▪ Port will be responsible for all environmental remediation actions for the property
❖ Caltrans Under Freeway Easements	<ul style="list-style-type: none"> ▪ Case management meeting to facilitate dialogue between OBRA, Port and Caltrans conducted November 19, 2004 ▪ Parties continuing to work to minimize effect of easements on future development of the Base 	ISSUE: <ul style="list-style-type: none"> ▪ Potential related impact to SB 1435 (Public Trust Exchange) approval [see next item below]
❖ Trust Exchange Legislation (SB 1435)	<ul style="list-style-type: none"> ▪ Caltrans demanded OBRA and Port provide option for Caltrans to obtain portions of Port Sliver property in exchange for its support of SB 1435; timing of demand did not allow sufficient opportunity to complete negotiations with Caltrans before Governor's deadline to approve Bill expired ▪ Despite unanimous approval by both houses of the Legislature, Legislation was not signed by Governor per Caltrans' request 	ISSUE: <ul style="list-style-type: none"> ▪ Public Trust designation on the OARB Gateway Development Area limits the types of development opportunities the Agency may pursue upon receipt of the Area in August 2006; completion of Trust Exchange during next Legislative cycle is imperative ▪ Resubmittal of Legislation through Senator Perata to be done by staff in early 2005
❖ Trust Exchange Agreement	<ul style="list-style-type: none"> ▪ Draft Exchange Agreement prepared ▪ Negotiations will commence when Trust Exchange Legislation goes into effect; Trust Exchange Agreement expected to go to State Lands Commission for consideration and approval in 2005 	<ul style="list-style-type: none"> ▪ Agency, OBRA and City to be advised of issues upon State Land Commission's review of draft Trust Exchange Agreement
❖ Bay Conservation and Development Commission (BCDC) Amendment Process for Baldwin Yard	<ul style="list-style-type: none"> ▪ Pending: Will commence amendment process after Trust Exchange Agreement is approved 	<ul style="list-style-type: none"> ▪ Administrative amendment to BCDC will be required to effectuate change in current BCDC designation of Baldwin Yard site

Legend: TRACK 1 ACTIONS: Conveyance Obligations TRACK 2 ACTIONS: Other Contractual Commitments TRACK 3 ACTIONS: Removal of Regulatory Constraints & Completion of Land Control Actions TRACK 4 ACTIONS: Pre-Development Facilitation 3

TASK/ACTIVITY <i>[Refer to OAKLAND ARMY BASE MASTER PROGRAM for detailed descriptions of the tasks/activities cited in this Update]</i>	STATUS <i>[This Update highlights the status of OARB Master Program "Short-Term" Tasks--those targeted for completion by June 30, 2005]</i>	POTENTIAL ISSUES, CONCERNS or UPCOMING RELATED ACTIONS
Track 4 Activities: FACILITATE OARB PRE-DEVELOPMENT PLANNING		
❖ Pre-Development Planning for OARB North Gateway Subarea	<ul style="list-style-type: none"> ▪ Initial study of possible land uses completed; preliminary utility studies underway 	NO MAJOR ISSUES; ACTIVITY PROCEEDING AS PLANNED
❖ Conceptual Planning for Open Space/Public Access	<ul style="list-style-type: none"> ▪ 1st phase of open space planning efforts completed in December 2003 ▪ Next phase pending; to be completed in tandem with Public Trust Exchange Agreement process 	NO MAJOR ISSUES; ACTIVITY PROCEEDING AS PLANNED
❖ Pre-Development Planning: OARB Site Studies/OBRA Work session on Development Issues	<ul style="list-style-type: none"> ▪ Interdepartmental Work Session held October 28, 2004 ▪ Information on OARB development opportunities, constraints and viable options being prepared by staff for presentation to OBRA, CED and Agency for discussion 	NO MAJOR ISSUES; ACTIVITY PROCEEDING AS PLANNED <ul style="list-style-type: none"> ▪ Results will assist Agency in its future OARB Master Developer considerations
❖ OARB Environmental Impact Report (EIR) Implementation	<ul style="list-style-type: none"> ▪ Negotiations with Port re: Fair Share costs underway 	ISSUE: <ul style="list-style-type: none"> ▪ Agreement between Port and City not yet secured
❖ OARB Loop Road Evaluation	<ul style="list-style-type: none"> ▪ Potential Loop Road alignments under evaluation by multi-disciplinary City/Port project team ▪ Evaluation to be completed in December 	NO MAJOR ISSUES; ACTIVITY PROCEEDING AS PLANNED <ul style="list-style-type: none"> ▪ Results of Loop Road evaluation will form basis for related North Gateway Subarea planning and Subaru Lot development efforts
❖ Subaru Lot Development	<ul style="list-style-type: none"> ▪ Negotiations with prospective developer still proceeding ▪ Purchase terms drafted ▪ Project EIR analysis of potential development opportunities underway 	NO MAJOR ISSUES; ACTIVITY PROCEEDING AS PLANNED

Legend: TRACK 1 ACTIONS: Conveyance Obligations TRACK 2 ACTIONS: Other Contractual Commitments TRACK 3 ACTIONS: Removal of Regulatory Constraints & Completion of Land Control Actions TRACK 4 ACTIONS: Pre-Development Facilitation 4

MASTER PROGRAM ACTIVITIES LIST

(See OARB Master Program of Activities)

TRACK 1: Conveyance Obligations

- Economic Development Conveyance (EDC) Memorandum of Agreement (MOA)
- EDC Deed
- Environmental Services Cooperative Agreement (ESCA)
- Consent Agreement (Environmental Remediation Program)
- City/ Port MOA

TRACK 2: Other Contractual Commitments

- Leasing Program
- Utilities Management
- Tenant Environmental Compliance Program
- Homeless Assistance Accommodation
- Joint Apprenticeship Training Committee (JATC) Accommodation
- West Oakland Community Trust

TRACK 3: Regulatory Constraints/Land Control Actions

- Public Trust (Tidelands Trust) Exchange
- Army Reserve Parcel Acquisitions
- Subaru Environmental Investigation
- BCDC Amendment
- Easement Management & Termination
- Real Estate Deed Transfers (PDA to Port; Port Sliver Parcels to OBRA; GDA to ORA)

TRACK 4: Pre-Development Facilitation

- OARB Environmental Impact Report (EIR) Coordination
- OARB Pre-Development Planning:
 - North Gateway site Assessment
 - Open Space & Public Access Planning
 - Infrastructure Planning (Loop Road, Maritime Relocation)
 - Site Evaluation and Visioning
- Financial & Asset Management

OARB MASTER PROGRAM OF ACTIVITIES

TRACK 1: FULFILL OBLIGATIONS OF AUGUST 7, 2003 CONVEYANCE

Activity:	ECONOMIC DEVELOPMENT CONVEYANCE MEMORANDUM OF AGREEMENT (EDC MOA)	Timeframe: <u>Short thru Long Term:</u>
Description:	<p>The EDC MOA sets forth the terms for the no-cost conveyance of 363.5 acres of the Army Base, including the buildings, rights-of-way, and utilities infrastructure that lies within or serves the EDC property. The key obligations under the EDC MOA are as follows:</p> <ul style="list-style-type: none">• Reinvestment of EDC property proceeds for 7 years (August 8, 2003 through August 7, 2010, plus an option to request an extension of up to two additional years in which to fully expend the proceeds realized during the 7-year Reinvestment Period).¹• Compliance with Attestation Reviews, which enable the U.S. Army Audit Agency to determine whether the EDC property proceeds are properly reinvested (includes financial audits of the Reuse Authority as a whole, and the preparation of revenue and expenditure schedules specific to the EDC reinvestment activities.• Cooperating with the Army on annual audits and site visits, with financial penalties for failure to submit timely annual financial statements• Repayment to the Army with financial penalties, for the improper use of EDC property proceeds. <p>Environmental Provisions – EDC MOA</p> <ul style="list-style-type: none">▪ Fulfill EDC property environmental remediation in accordance with the Army’s Finding of Suitability for Early Transfer (FOSET) and related environmental documents.▪ Complete environmental tasks in accordance with Environmental Services Cooperative Agreement (ESCA) with Army and as required by terms of Consent Agreement with California Dept. of Toxic Substances Control (DTSC).▪ Must use ESCA funds to obtain environmental insurance and complete cleanup as required by and consistent w. ESCA and associated environmental documents.	<ul style="list-style-type: none">▪ 7-year EDC reinvestment and reporting period began August 7, 2003 and ends August 7, 2010 <p>Responsible Party:</p> <ul style="list-style-type: none">▪ OBRA (during Trust Period)▪ Agency (post Trust Period to August 7, 2010)▪ Port (post Trust Period to August 7, 2010) <p>Required Resources & Cost: Outside Counsel (Costs TBD)</p>

Activity:	ECONOMIC DEVELOPMENT CONVEYANCE DEED (EDC MOA)	Timeframe: <u>Short thru Long Term:</u>
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¹ Allowable uses of EDC proceeds, as set forth in the EDC MOA, are (1) road construction, (2) transportation management facilities, (3) storm and sanitary sewer construction, (4) police, fire protection, or other public facilities, (5) utility infrastructure construction, (6) building rehabilitation, (7) historic property preservation, (8) pollution prevention equipment or facilities, (9) demolition, (10) disposal of hazardous materials generated by demolition, (11) landscaping, grading, and other site or public improvements, and (12) planning for, or the marketing of, redevelopment and reuse of the Base.

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Description	<p>The EDC Deed was recorded on August 7, 2003, conveying the 363.5-acre EDC property in "As-Is" condition to OBRA. It contains environmental deed restrictions and easements for utilities, and incorporates the Early Transfer <i>environmental remediation requirements</i> as Environmental Covenants, Conditions and Restrictions affecting post-transfer uses.</p> <p>The Deed includes the Covenant Restricting Use of Property (CRUP), which restricts the following: (a) sensitive uses of residential housing, schools, daycare facilities, hospitals and hospices are prohibited; (b) construction and use of groundwater wells without DTSC approval is prohibited; (c) surface or subsurface soil <i>disturbing activities are allowed but must comply with RAP/RMP</i>; (d) all owners and occupants must comply with RAP/RMP in managing the property; (e) owner must submit an annual report to DTSC to certify compliance. On March 7, 2003, OBRA applied for a waiver to continue to conduct certain interim uses at OARB for 5 years after conveyance: (a) Operation Dignity Winter Shelter; (b) Head Start childcare; (c) OMI college preparatory school; (d) Milestone Human Services center. DTSC granted waiver August 2003.</p>	<ul style="list-style-type: none"> ▪ Deed covenants run with the land in perpetuity <p>Responsible Party:</p> <ul style="list-style-type: none"> ▪ OBRA ▪ Agency ▪ Port ▪ Any other eventual owners of the site <p>Required Resources & Cost:</p> <ul style="list-style-type: none"> ▪ OBRA Staff (costs for this activity absorbed in general Personnel costs)
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Activity:	ENVIRONMENTAL REMEDIATION AGREEMENTS	Timeframe:
Description:	<p>Finding of Suitability for Early Transfer (FOSET) Issued by the Army on April 2003 and approved by Governor Gray Davis on August 6, 2003 to allow the early transfer of the EDC Property. Documented Army's findings on the adequacy of the following to assure the remediation of the property and to protect human health and the environment: (a) land use restrictions in Covenant to Restrict Use of Property (CRUP); (b) actions and protocols in Remedial Action Plan and Risk Management Plan (RAP/RMP); (c) schedule for RAP/RMP in Consent Agreement between OBRA and State of California Environmental Protection Agency Department of Toxic Substances Control (DTSC); and (d) adequate funds available to ensure completion of remediation.</p> <p>Environmental Services Cooperative Agreement w. Army (ESCA) The Army and OBRA/ORR entered into the Environmental Services Cooperative Agreement (Final ESCA) on May 20, 2003. The ESCA sets forth: (a) the Army's obligation to</p>	<p><u>Short thru Long Term:</u></p> <ul style="list-style-type: none"> ▪ The RAP Sites are priority cleanup sites that will be cleaned up within five years of transfer (by August 2008) ▪ The RMP locations are less contaminated and will be cleaned up concurrent with development by either the Port or the Agency (ORA) during the ten years following transfer (by August 2013).² <p>Responsible Party:</p> <ul style="list-style-type: none"> ▪ OBRA (during Trust Period) ▪ Agency (Post Trust Period to August 2013)

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pay clean up costs for the property transferred to OBRA by no-cost EDC; and (b) OBRA and the Army's clean up obligations for Early Transfer under CERCLA³.

The ESCA obligates OBRA/ORA to clean up the EDC Property consistent with the requirements of the OARB RAP/RMP approved by DTSC and the Consent Agreement between DTSC and OBRA/ORA.

The ESCA provides for \$13 million in Army funding, the scope of specifications and requirements for OBRA's compliance with CERCLA, the NCP⁴ and other applicable laws or regulations.

OBRA agrees to assume responsibility and liability for completing environmental investigation, remediation and related documents necessary to implement the Consent Agreement and the RAP and RMP to achieve Regulatory Closure⁵ of the EDC property. Such services will be done in furtherance of the approved Final Reuse Plan for OARB.

The Army is responsible for providing funding, remediation responsibility for other portions of OARB and for all approvals for OBRA to reach Regulatory Closure.

Tied to Implementation of City-Port Memorandum of Agreement (MOA)

OBRA/Agency obligations are further defined in City-Port MOA regarding use of ESCA funds, work assignment and reporting responsibilities; however, contractual obligations remain with OBRA/ORA.

- Port (Post Trust Period to August 2013)

Required Resources & Cost:

Estimated Cost to Cure: \$21,000,000
 Federal Share: \$ 9,500,000
 Port Share: \$ 5,750,000
 City Share: \$ 5,750,000*

* Through the Leasing Program Reserves, OBRA has already provided for this financial responsibility.

As agreed to in the ESCA, the Army provided \$13 million toward environmental remediation activities; part of these funds (\$3.5 million) was used to obtain cost-cap and liability insurance coverage for the base-wide cleanup. The remaining obligation estimated at approximately \$11,500,000 is to be shared equally by the Port and the City.

Expenditures Per Fiscal Year:

- FY 2004/05: \$3,750,000
- FY 2005/06: \$6,000,000
- FY 2006/07: \$4,000,000
- FY 2007/13: \$7,250,000

Consent Agreement w. State Dept. of Toxic Substances Control (DTSC)

The Consent Agreement represents state's concurrence with the Early Transfer and establishes DTSC's oversight of OBRA and ORA's implementation of the environmental actions identified in the RAP/RMP. It details the implementation, monitoring and reporting obligations of OBRA/ORA, and legal, financial & liability compliance.

It binds OBRA/ORA and eventual owner(s) to environmental restrictions and remediation obligations:

- Adhere to clean up schedule: RAP must be implemented w/in 5 years of conveyance; RMP w/in 10 years of conveyance.
- Provide adequate financial assurances to ensure clean up
- Adhere to the Covenant to Restrict Use of Property (CRUP)
- Be subject to penalties up to \$25,000 per day for noncompliance

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Activity:	CITY-PORT MEMORANDUM OF AGREEMENT (MOA)	Timeframe: <u>Short thru Mid Term:</u>
Description:	<p>The City, Agency, OBRA and Port signed a comprehensive "City-Port Memorandum of Agreement for the Oakland Army Base" (MOA) on July 8, 2003 which addresses the individual and joint commitments of the parties for conveyance and related programs. The MOA binds the parties to reciprocal land transactions and the processes, timing and costs to achieve them, which will result in respective City and Port development areas.</p> <p>The City-Port MOA was executed in anticipation of the August 7, 2003 conveyance of the OARB to the OBRA via an Economic Development Conveyance (EDC). At the time of signing, the parties agreed to return to negotiations to resolve outstanding issues and technical descriptions. Several outstanding MOA issues currently require resolution: environmental remediation responsibilities for the marine sediments, conveyance transaction costs, level of remediation and removal of contaminated soil, and several other minor issues.</p> <p>The parties have been exchanging drafts of an amended and restated MOA, but have not reached consensus. Staff will be seeking the support of the City Manager and Port Executive Director to expedite these negotiations. The parties are working well together on the State Lands Exchange legislation and the resolution of Caltrans easement issues associated with the under freeway legal settlements. Going forward, the parties should be working more closely to plan for complementary redevelopment projects, coordinate infrastructure and roadway improvements, utilities, open space and other activities that will enhance the overall value of the property. Several issues require immediate attention: finalizing the Alternate Homeless Accommodation and discussion of the Port in covering the financial responsibilities of OBRA/Agency as a method for the Knight Rail Yard transaction and to respond to State Lands staff concerns; cooperation of the parties in determining the remediation schedule and levels of remediation.</p>	<ul style="list-style-type: none"> ▪ Resolution of Outstanding MOA issues needs to be resolved before the end of the Trust Period. ▪ Real estate actions to be completed by/at end of trust period, August 6, 2006. <p><u>Long Term:</u></p> <ul style="list-style-type: none"> ▪ Some MOA obligations (i.e., environmental RAP/RMP actions) require Port and Agency actions throughout the life of the development project.
		<p>Responsible Party:</p> <ul style="list-style-type: none"> ▪ OBRA (during Trust Period) ▪ Agency (post Trust Period) ▪ City (post Trust Period) ▪ Port (during and post Trust Period)
		<p>Required Resources & Cost:</p> <ul style="list-style-type: none"> ▪ Outside Counsel (TBD)

TRACK 2: FULFILL CONTRACTUAL COMMITMENTS

Activity:	LEASING PROGRAM	Timeframe:
Description:	<p>The OBRA Leasing Program currently serves (50) tenants comprised of market-rate, non-profit, and City entities. The vast majority of the tenants occupying the southern portion of the Base (east of Maritime Street, between West 14th</p>	<p><u>Short Term:</u></p> <ul style="list-style-type: none"> ▪ Most leases will expire at the end of 2005. Warehouse leases will expire on or about August 7, 2006.

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Street and West 7th Street) have leases that expire on December 31, 2005, with one tenant's lease ending in March 2006 to accommodate seasonal business activity. Leases with the warehouse tenants (east of Maritime Street, above West 14th and extending up the Army Reserve facilities just north of West Grand Avenue) expire on or about August 7, 2006.

Under the triple-net lease entered into with the tenants following the implementation of the EDC MOA, there is no provision for termination of the lease without cause. At sites within the footprint of RAP/RMP remediation areas there is, however, the contractual understanding that portions of the leased area may be withdrawn by OBRA to permit necessary environmental remediation activities.

Base-wide service contracts for security, landscaping, janitorial services, and heating and air conditioning maintenance are entered into annually in the month of February, and final termination dates will coincide with the end date of the Leasing Program. Attendant programs for fire-safety systems maintenance, hazardous materials program monitoring and disposal activities, roof repairs, asphalt maintenance, and tree trimming are evaluated for appropriateness, and scaled to address the upcoming cessation of the Leasing Program.

Responsible Party:

- OBRA (for OARB East tenants)
- Port (for OARB West tenants)

Required Resources & Cost:

- Facilities & Building Maintenance: \$1,870,550
- Asbestos Program: \$35,000
- HazMat Compliance Program: \$15,000
- HazMat Waste Disposal Contract: \$30,000
- Commissions: \$125,000
- Legal Fees: \$50,000

**Activity:
Description:**

UTILITIES MANAGEMENT

The Utilities Program is a joint effort by the Port and OBRA to maintain the existing utilities infrastructure in order to provide reliable electric, sewer, water and natural gas services to the Army Base tenants for the duration of the Leasing Program.

Prior to OBRA taking title to the OARB, the operation of the Utilities Program was codified in an exhibit to the Port of Oakland's sublease of the portion of the Base located West of Maritime Street. Under the terms of that agreement, OBRA and the Port would share the responsibility for commodity purchases, repair decisions, and administration of the tenant billings and collections. The Port is responsible as the initial responder to emergencies and will oversee the repair and maintenance work performed by the outside vendor. OBRA has assumed responsibility for the administrative operation – billing and collections -- of the utilities program. The responsibility for collections, which was inadequately provided by the now-bankrupt vendor, is a role that OBRA welcomes because it has the strong potential to improve cash flow and prevent the aging of utilities payments owed by tenants.

Timeframe:

Short Term:
Through end of Trust Period

Responsible Party:

- OBRA
- Port

Required Resources & Cost:

- Systems Maintenance (OBRA's 50%): \$250,000
- Commodity: \$30,000

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As with the Leasing Program, the challenges created by the relatively short-term operation of the Utilities Program are to evaluate the necessity for costly maintenance activities, and to structure prudent plans for the purchase of future commodity and support services.

Activity:	TENANT ENVIRONMENTAL COMPLIANCE PROGRAM	Timeframe:
Description:	A requirement of the Consent Agreement, this program is being conducted as a component of the Leasing Program. Tenants' activities are surveyed for consistency with the Hazardous Materials Disclosure Certificate (Exhibit G of their leases).	<u>Short thru Mid Term:</u> Activity runs through the life of the Leasing Program
		Responsible Party: ▪ OBRA
		Required Resources & Cost: ▪ OBRA Staff (costs for this activity absorbed in general Personnel costs)

Activity:	HOMELESS ASSISTANCE ACCOMMODATION	Timeframe:
Description:	In 1999 the Homeless Collaborative and the City agreed to a legally binding agreement that provided the Homeless Collaborative with more than 260,000 SF of warehouse, office and commercial space in OARB buildings at zero cost for 30 years. The execution of the legally binding agreement was formalized and executed with the approval of the U. S. Department of Housing and Urban Development (HUD).	<u>Short Term:</u> Agreement due to be completed this year (2004).
	After BCDC's 2000 finding on the proposed development areas at OARB that resulted in the reconfiguration of development areas, the Army was not able to identify a suitable parcel for the Homeless Accommodation which HUD would accept. Therefore, pursuant to the terms of the legally binding agreement the parties must reconvene to negotiate alternative terms and conditions to satisfy the homeless assistance component of the redevelopment plan for OARB. Staff is in the process of the working with the Port and Homeless Collaborative to satisfactorily amend the legally binding agreement.	Responsible Party: ▪ OBRA ▪ Homeless Collaborative
		Required Resources & Cost: ▪ Transaction Costs TBD Fall 2004 ▪ Outside Counsel Costs TBD

Activity:	JATC ACCOMMODATION	Timeframe:
Description:	The sole Public Benefit Conveyance application for the OARB accepted by the U.S. Army and the OBRA Board was that of the Joint Apprenticeship Training Committee	<u>Short Term:</u> Agreement due to be completed this year.

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(JATC), a union program that trains apprentices in various construction trades. The Army as a condition of the Early Transfer - EDC, requested that OBRA separately deed three acres of the EDC property instead of conveying the property through a PBC.

It was agreed to amongst the parties that instead of the federal government blindly selecting a 6-acre parcel for JATC that did not take into account the future development of the Army Base by the Port and the City, the City would accept all of the available Army Base property under an EDC, and at some future time, the City would identify a 3-acre parcel of property to be transferred to JATC in lieu of a 6-acre PBC parcel. The City Council and the OBRA Governing Body approved this arrangement and staff has been in negotiations with JATC representatives to develop a Term Sheet to be followed by a Memorandum of Understanding between OBRA/ORA and JATC. If JATC meets the terms and conditions of the MOU, then at the appropriate time, a Disposition and Development Agreement (DDA) will be signed.

Responsible Party:

- OBRA
- JATC

Required Resources & Cost:

- Cost TBD Fall 2004
- Outside Counsel Costs TBD

Activity:

WEST OAKLAND COMMUNITY FUND

Description:

The West Oakland Community Fund is a proposal that would establish a funding source for projects and activities within the West Oakland district, adjacent to the OARB site. In anticipation of the conveyance and reuse of the Base, the Oakland Redevelopment Agency (Agency) in 1998 began selecting a Master Developer to oversee redevelopment of the site. Because of the Agency's desire that development of the Base provide benefits to the adjacent West Oakland community, the Master Developer Request for Qualifications required all respondents to include a community participation component in their development proposal. The selected master developer Team, proposed the establishment of a "Community Trust" that would provide funding for activities that benefited the community. Later, after the Agency decided to postpone entering into agreements with a Master Developer, the notion of the Trust lingered and was subsequently endorsed through other formal actions including insertion of a provision identifying funding for the proposal in the above-cited City Port MOA.

OBRA's involvement in this effort consisted contracting a consultant to identify recommended forms and operations of the proposed Community Fund. Remaining activities that bring the Fund to fruition are the responsibility of the Agency.

Timeframe:

Short thru Mid Term:

Fund will be established upon Agency determination. However, the Port is not obligated to contribute to the Fund if the Agency has not established the Fund by the end of the City-Port trust Period.

Responsible Party:

- Agency

Required Resources & Cost:

To facilitate the Agency's consideration of a Community Fund, OBRA has already funded a consultant study to identify the logistics of establishing a Community Fund. Because the study is completed and will shortly be forwarded to the Agency, no further OBRA expenses are anticipated.

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TRACK 3: REMOVE REGULATORY HURDLES, COMPLETE LAND CONTROL ACTIONS

Activity: STATE LANDS COMMISSION PUBLIC TRUST EXCHANGE

Timeframe:

Description: The City-Port MOA commits OBRA/ORACity and the Port of Oakland to pursue a State Lands tidelands trust exchange. The Port and OBRA worked together to determine the best configuration of trust lands, given the revised development areas at the former Base. They determined that lifting the public trust on the West of Maritime lands to be included in the City's Gateway Development Area (GDA) would provide the maximum economic development for those areas, while imposing the trust on the Port Development Area planned for most of the East of Maritime site would be compatible with trust interests.

Short Term thru Mid Term:
Legislation is expected by fall 2004, and would be enacted January 2005.

The actual Exchange Agreement is scheduled to be drafted this year and negotiated and approved by State Lands Commission in 2005.

Exchange to be effectuated concurrent with end of trust period, August 6, 2006.

The exchange is needed for the City to maximize the economic development potential of its Gateway Development Area. Additionally the proposed trust exchange configuration will promote efficiencies in the Port's handling of maritime cargo, enabling the Port to exceed BCDC cargo throughput goals for years 2020. The exchange also enhances the job-creation potential expected from the full site redevelopment, as required by the Economic Development Conveyance Agreement with the Department of the Army.

Responsible Party:

- OBRA
- Port of Oakland

Required Resources & Cost:

- Outside Counsel Costs TBD

On October 8, 2003, the City parties and the Port submitted the Oakland Army Base Trust Exchange proposal to the California State Lands Commission (SLC) for a public trust exchange of lands at the former Oakland Army Base. On February 19, 2004, the *Oakland Army Base Trust Exchange Act*, SB 1435, was introduced in the California State Senate by Senator Don Perata. The proposed legislation will allow SLC to effect a boundary settlement and exchange of public trust lands within the former Oakland Army Base. The legislation was developed in support of redevelopment efforts at the Oakland Army Base.

SB 1435 passed out of the State Senate on May 3, 2004 by consent, and was heard in State Assembly committees in mid-June. Consideration of the Legislation is on schedule. Staff is following this legislation closely and has generated critical political and community support. It is essential that the Agency and the OBRA Governing Body continue to give the trust exchange full support.

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Activity:	ARMY RESERVE TRANSACTION TO ACQUIRE SUBARU LOT	Timeframe:
Description:	<p>The OARB Final Reuse Plan identifies the site commonly known as the "Subaru Lot," as an essential part of the GDA North Subarea. The Subaru Lot, consisting of 19.032 acres located at the intersection of West Grand Avenue, Maritime Street and Wake Avenue, is one of several parcels under Army Reserve ownership at or adjacent to the OARB. The City's Redevelopment Agency has been in discussions with several developers interested in developing the site.</p> <p>On April 13, 2004, the Army and OBRA executed an MOA for transfer of the Subaru Lot ("Subaru Lot MOA") under a third party exchange scenario. Pursuant to the terms of the Subaru Lot MOA, the Army Reserve is underway in its negotiations with Diversified Technology Consultants (DTC) to complete an Exchange Agreement in which DTC would be the third party exchange partner.</p> <p>While the MOA terms between OBRA and the Army have been agreed upon, the Army's talks with DTC are proceeding slowly. In the meantime, OBRA staff has been working to complete the required environmental processes for transfer of the Subaru site under a Finding of Suitability to Transfer (FOST). This process involves close negotiations both with the Army and with the State DTSC.</p>	<p><u>Short Term:</u> Negotiations are in progress. The transaction should take place this year.</p> <p>Responsible Party:</p> <ul style="list-style-type: none"> ▪ OBRA <p>Required Resources & Cost:</p> <ul style="list-style-type: none"> ▪ Grading & Wetlands Mitigation: \$70,000 ▪ Outside Counsel Costs TBD
Activity:	ENVIRONMENTAL INVESTIGATION OF FORMER PARCELS 6 AND 7 (SUBARU LOT)	Timeframe:
Description:	<p>OBRA has prepared an Amendment to the <i>Final Remedial Action Plan Oakland Army Base, Oakland, California</i>, dated 27 September 2002 (RAP). The Amendment identifies, evaluates, and selects environmental actions that may be required during development of the site. The expected remedy for the site will be the implementation of Land Use Controls (LUCs). The LUCs will preclude the property from being used for residential, housing, schools day-care facilities, hospitals or hospices. In conjunction with the Army and DTSC, the Finding of Suitability for Transfer (FOST) for the Subaru Lot was publicly noticed and no comments have been received to date. The RAP Amendment will be publicly noticed and a public meeting will be held to discuss the environmental conditions.</p>	<p><u>Short Term:</u> Environmental work is nearly complete. The transaction should take place this year.</p> <p>Responsible Party:</p> <ul style="list-style-type: none"> ▪ OBRA <p>Required Resources & Cost:</p> <ul style="list-style-type: none"> ▪ OBRA Staff (costs for this activity absorbed in general Personnel costs)
Activity:	BCDC SEAPORT PLAN AMENDMENT	Timeframe:
Description:	In connection with its approval of the amended OARB port	<u>Short thru Mid Term:</u>

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priority use areas, BCDC required that the OBRA and Port together commit a total of 30 acres to ancillary maritime support uses, which include trucking-related activities. OBRA designated the Baldwin Yard area to remain port priority use for this activity, and the Port is committing 15 acres of non-OARB property, as well as an additional 75 acres. However, the decision to devote the Baldwin Yard to these activities was rendered in response to BCDC's mandate that a specific site for maritime activities be identified at the time of its January 4, 2001 decision on the port priority use amendment application, and was made independently of the OARB land development planning process. Subsequent evaluation may reveal other more suitable locations for these activities. BCDC has agreed that should OBRA's planning process identify an alternate location, it will facilitate an expedited process for further amending its Plans to reflect the new location.

Amendment should be effectuated by the end of the Trust Period (August 2006).

Responsible Party:

- OBRA

Required Resources & Cost:

- OBRA Staff (costs for this activity absorbed in general Personnel costs)

**Activity:
Description:**

EASEMENT MANAGEMENT AND TERMINATION

As the property owner of the former Oakland Army Base, OBRA and ORA inherited a number of existing easements and third party real property interests. Easements and third party real property interests are similar to ownership interests in property, with the exception that they typically are for a specific term, with the exception of perpetual easements, and they are typically for uses related to utilities or ingress and egress. OBRA staff and CEDA Real Estate staff will continue to coordinate all easement actions with the goal of minimizing potential development constraints, and maximizing any potential revenue generating opportunities.

Timeframe:

Short thru Mid Term:
By end of Trust Period (August 2006).

Responsible Party:

- OBRA
- Agency

Required Resources & Cost:

- OBRA Staff (costs for this activity absorbed in general Personnel costs)

**Activity:
Description:**

REAL ESTATE DEED TRANSFERS

- **Port Development Area Transfer to Port and Port Sliver Parcels Transfer to OBRA**

Consistent with the terms and conditions of the City-Port MOA, immediately after the EDC transfer, OBRA conveyed 70 acres of the EDC property to the Port. In addition to the transfer of the 70 acres of the EDC property, OBRA executed a trust agreement with the Port that placed an additional 150 acres of EDC property in trust to the Port until August 7, 2006. On August 7, 2006, the 150 acres of EDC property in trust for the Port will be automatically conveyed to the Port. Included in the 150 trust acres are the 22 acres commonly referred to as the Knight Rail Yard. Along with the property transfer and the trust agreement, OBRA extended two lease agreements with the Port for the area of the former Army Base to the west of Maritime Street and the Knight Rail Yard. The lease agreements

Timeframe:

Short thru Mid Term:
By end of Trust Period (August 2006).

Responsible Party:

- OBRA
- Port

Required Resources & Cost:

- OBRA Staff (costs for this activity absorbed in general Personnel costs)

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terminate on August 6, 2006, at which time the OBRA and/or ORA will be able to commence development of major portions of the Gateway Development area.

- Outside Counsel Costs TBD

▪ **GDA Transfer to ORA**

Following the completion of the land control actions and the end of the City-Port trust period, OBRA can transfer title of the Army Base property comprising the Gateway Development Area. Title can go to the Redevelopment Agency or directly to a Master Developer. Developing a plan for this transfer will be a significant part of OBRA's program as the end of the trust period approaches.

TRACK 4: FACILITATE PRE-DEVELOPMENT PLANNING

Activity: **COORDINATION WITH OARB AREA
REDEVELOPMENT PLAN ENVIRONMENTAL
IMPACT REPORT (EIR)**

Timeframe:

Description: In July, 2002 the City Planning Commission certified the OARB Redevelopment Plan Environmental Impact Report (EIR). This document analyzed the potential impacts associated with various OARB development scenarios. Additionally, it identified the mitigations required to reduce the impacts to an acceptable level. Currently underway is the facilitation of the Mitigation Monitoring and Reporting Program (MMRP) which identifies the mitigations.

Short thru Mid Term:
Fair Share analysis (related to the EIR's Mitigation Monitoring and Reporting Program) currently underway to facilitate eventual financing and implementation of mitigation measures

The mitigations address a variety of topics (traffic infrastructure, historic resources, transit planning, air quality, etc.); the common element is that they all require City/ORAs and Port diligence in making accommodations now for the impending mitigation; the key issue for City Council/ORAs consideration is maintaining this action as a priority effort for both City and Port representatives.

Agreement on the Port/Agency MMRP responsibilities is targeted to be in place by end of Trust Period (August 2006).

Responsible Party:

- Agency
- Port

Although the mitigations aren't required until development reaches certain intensity, it is important that safeguards be built-in in the interim so that actions that preclude future implementation of a given mitigation do not occur. For example, the MMRP specifies that certain traffic infrastructure improvements be in place to accommodate development. These improvements are costly, have implications for the physical layout of the Base, and need to be planned in advance of development. And although some of the responsibility to implement the various mitigations will be borne by the future OARB Master Developer, there are some steps that need to be taken now by both the City/ORAs and the Port of Oakland as the directors of the

Required Resources & Cost:

- CEQA Environmental Consultants: \$40,000

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property to facilitate eventual implementation of the mitigations (e.g., coordinate programs/build in place-holders that support compliance with MMRP requirements, enforce fair share costs of MMRP obligations, etc.)

In this instance, staff is involved in various actions now to ensure that sufficient funding and land is available when the traffic mitigations become necessary.

Activity:	OARB PRE-DEVELOPMENT PLANNING ACTIVITIES	Timeframe:
Description:	<p>OBRA is accumulating a body of technical and development knowledge about the OARB property. These include site analysis at the North Gateway area in connection with planning for use of the Subaru Lot; Open Space planning in support of the tidelands trust exchange; and infrastructure planning, cost estimating and fair share calculations for the GDA. While conducting these activities, OBRA will proactively utilize the information to generate site and development analyses in support of the Agency's eventual development decisions.</p> <ul style="list-style-type: none"> ▪ North Gateway Site Assessment and Pre-Development Planning <p>In 2003, in response to a development interest in the Subaru Lot by Costco store sponsors, the ORA directed staff to begin site development planning and to expedite acquisition of the Subaru site from the Army Reserve. Some of the products of that effort include:</p> <ul style="list-style-type: none"> • opportunity and constraint analysis • development orientation analysis • five development concepts • infrastructure assessment • infrastructure cost estimate • fair share calculations, based upon infrastructure needs and the MMRPs (discussed above) <ul style="list-style-type: none"> ▪ Open Space and Public Access Planning <p>As part of its trust exchange proposal, OBRA needed to create an open space plan for the approximately 15 acres of waterfront land at the Pier 7 wharf area (referred to as the GDA west subarea in the Final Reuse Plan) which will remain in the trust. The planning which occurred evaluated the site for best configuration of an open space park in relation to the remaining development area and the East Bay Regional Park District "spit" which is contiguous to the wharf. The planning considered how the Pier 7 development area would best be enhanced by the open space park and proposed several iterations of development sites. In addition, the open space plan was required to</p>	<p><u>Short thru Mid Term:</u> Efforts are ongoing and would proceed to the end of Trust Period, and beyond if required.</p> <p>Responsible Party:</p> <ul style="list-style-type: none"> ▪ OBRA ▪ Agency ▪ Port <p>Required Resources & Cost:</p> <ul style="list-style-type: none"> ▪ Design Consultants: \$500,000 (Source: EDA Grant)

OARB MASTER PROGRAM OF ACTIVITIES

demonstrate that appropriate public access would be provided. Therefore, the planning also proposed a new "addressing" street to approach the wharf through the central subarea. The plan considered designs for the most attractive and valuable development sites to face the addressing street and the aspect of the port container activity behind them.

▪ Infrastructure Planning

OBRA has started the infrastructure planning and design work funded by a public works grant from the U.S. Department of Commerce Economic Development Administration (EDA). Under this grant, OBRA will coordinate core infrastructure planning with the environmental remediation activities. The initial early assessment and design will be at the Building 1 site, as utility and roadway relocation must take place.

▪ Further Site Evaluation and Visioning

During this period of fulfilling conveyance and environmental program obligations and resolving land regulations, OBRA is accumulating a body of knowledge about the former Army Base property that will add value to the property as development sites. It is expected that these models will be applied to the rest of the GDA as development ideas come forward.

OBRA will take the opportunity of the remaining two and a half years of the trust period to facilitate pre-development planning by coordinating a team of design, land use planning and land use economic experts in a site evaluation "visioning" process, the results of which will serve as the basis for a visioning workshop for the OBRA Board this fall.

OBRA will apply its technical and administrative knowledge about the OARB property to assist the Agency with planning efforts and with the solicitation effort for a master developer, as it continues to implement the remediation program and operate the Army Base Leasing Program in order to generate revenues to cover Agency predevelopment obligations.

Activity:

Financial & Asset Management Program

Description:

The Master Program includes additional activities that provide administrative and financial support to the Agency to facilitate the project's eventual transition to the Agency. OBRA is responsible for covering all costs associated with the OARB Conveyance Program, including personnel, certain city services, operational expenses, and professional services costs such as legal, environmental, property

Timeframe:

Short thru Mid Term

Responsible Party:

- OBRA
- Agency

OARB MASTER PROGRAM OF ACTIVITIES

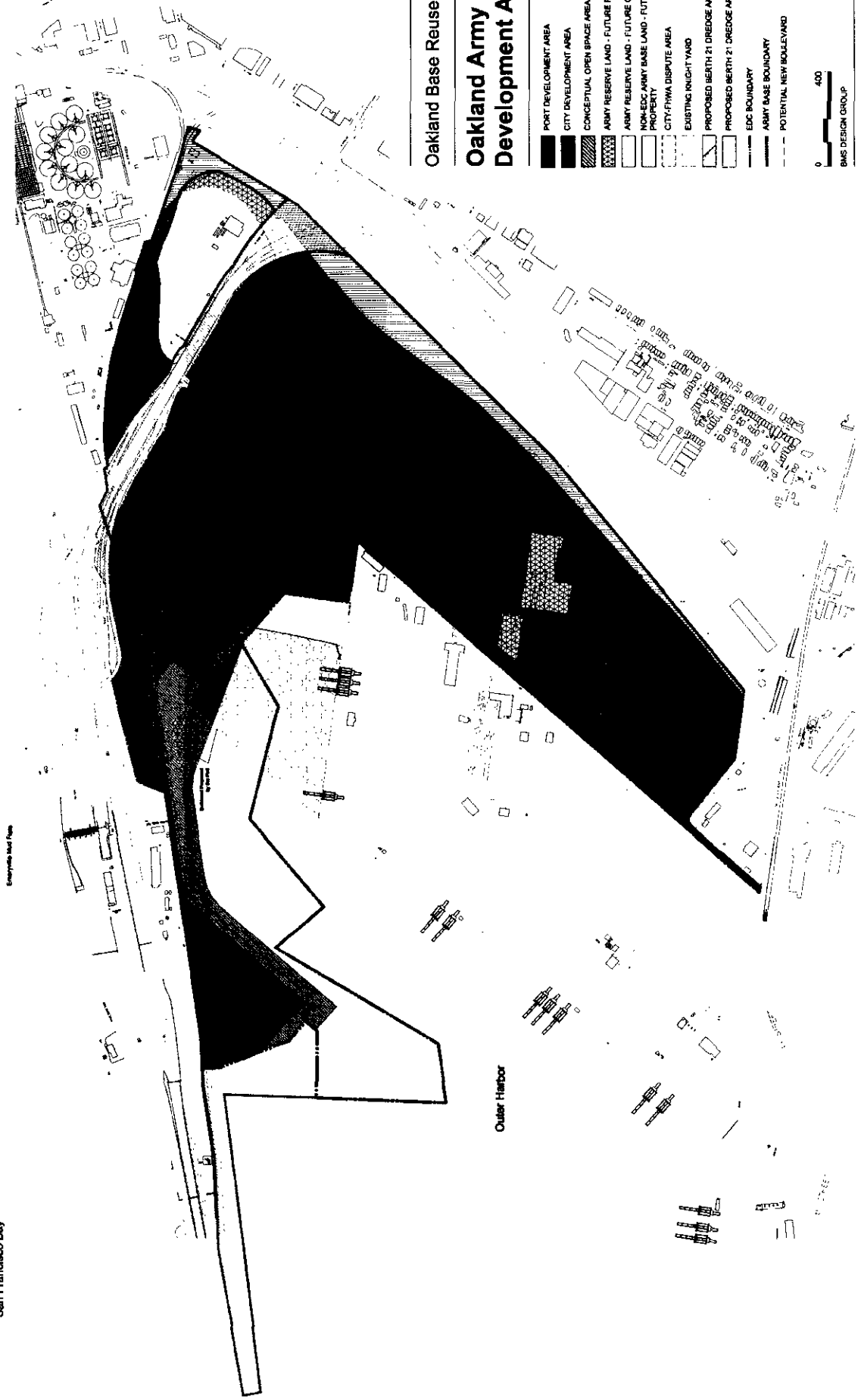
management, engineering, and leasing support required for various conveyance actions. In addition to covering direct program costs, OBRA has, from 1999 through 2003, reimbursed the Agency for certain Agency and City staff support for services related directly to the closure, reuse, and redevelopment designation of the OARB. The funding source is, and remains, revenues from the OBRA Leasing Program, which can only be used to support activities as agreed to in the Economic Development Conveyance Memorandum of Agreement between the Army and OBRA and the Redevelopment Agency and the related environmental remediation documents.

As stated above, OBRA has built up a fund reserve through its leasing program and careful management of its assets. This reserve made it possible for OBRA to receive an Early Transfer conveyance of the OARB property. As part of the ESCA agreement with the Army and the Consent Agreement with the state DTSC, OBRA had to demonstrate the financial capacity to assume its half of the approximately \$11.5 million cleanup costs. As a result, OBRA's reserve funds are earmarked to carry out its remaining obligations to make the OARB property "development ready."

Required Resources & Cost:

- OBRA Staff (costs for this activity absorbed in general Personnel costs)

San Francisco Bay



Oakland Base Reuse Authority

Oakland Army Base
Development Areas

- PORT DEVELOPMENT AREA
 - CITY DEVELOPMENT AREA
 - CONCEPTUAL OPEN SPACE AREA
 - ARMY RESERVE LAND - FUTURE PORT PROPERTY
 - ARMY RESERVE LAND - FUTURE CITY PROPERTY
 - NON-EDC ARMY BASE LAND - FUTURE EBRPO PROPERTY
 - CITY-FRWA DISPUTE AREA
 - EXISTING KNIGHT YARD
 - PROPOSED BERTH 21 DREDGE AND FILL AREA
 - PROPOSED BERTH 21 DREDGE AREA (PORT)
 - EDC BOUNDARY
 - ARMY BASE BOUNDARY
 - POTENTIAL NEW BOULEVARD
- 0 400 1 km
BMS DESIGN GROUP
1/19/2004

OARB PROGRAM ACTIVITIES LIST

(See OARB Master Program of Activities)

TRACK 1: Conveyance Obligations

- Economic Development Conveyance (EDC) Memorandum of Agreement (MOA)
- EDC Deed
- Environmental Services Cooperative Agreement (ESCA)
- Consent Agreement (Environmental Remediation Program)
- City/ Port MOA

TRACK 2: Other Contractual Commitments

- Leasing Program
- Utilities Management
- Tenant Environmental Compliance Program
- Homeless Assistance Accommodation
- Joint Apprenticeship Training Committee (JATC) Accommodation
- West Oakland Community Trust

TRACK 3: Regulatory Constraints/Land Control Actions

- Public Trust (Tidelands Trust) Exchange
- Army Reserve Parcel Acquisitions
- Subaru Environmental Investigation
- BCDC Amendment
- Easement Management & Termination
- Real Estate Deed Transfers (PDA to Port; Port Sliver Parcels to OBRA; GDA to ORA)

TRACK 4: Pre-Development Facilitation

- OARB Environmental Impact Report (EIR) Coordination
- OARB Pre-Development Planning:
 - North Gateway site Assessment
 - Open Space & Public Access Planning
 - Infrastructure Planning (Loop Road, Maritime Relocation)
 - Site Evaluation and Visioning
- Financial & Asset Management