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OFFICE OF THE CITY CLERK
OAKLAND

2018 APR 26 PM 2:08

AGENDA REPORT

TO: Sabrina B. Landreth
City Administrator

FROM: Mark Sawicki
Director, EWD

SUBJECT: Sale of Derby Avenue Property to
Pacific West Communities

DATE: April 2, 2018

City Administrator Approval

Date:

4/25/18

RECOMMENDATION

Staff Recommends That The City Council Adopt An Ordinance Authorizing The City Administrator Or Designee, Without Returning To The City Council, To Negotiate And Execute A Disposition And Development Agreement And Related Documents Between The City Of Oakland And Pacific West Communities, Inc., Or A Related Entity, On Terms and Conditions Described Herein, For The Sale Of The Derby Avenue Parcel (APN 025-0720-002-01) At The Appraised Fair Market Value Of \$450,000 For The Development Of An Aspire Public Charter School

EXECUTIVE SUMMARY

Pacific West Communities, Inc., a related entity or its affiliates (the "Developer") proposes to purchase for \$450,000 a 9,000-square foot City-owned property located on Derby Avenue (APN 025-0720-002-01) as shown in **Attachment A**, and combine the Derby Avenue parcel with two other parcels that the Developer currently owns to develop and construct an Aspire Eres Charter School serving up to 620 kindergarten through eighth (K-8th) grade students in the Fruitvale neighborhood. The Developer has received its Planning approvals for the project and will be ready to start construction once the Developer completes its conditions precedent to close of escrow set out in the Disposition and Development Agreement ("DDA"). The DDA will be based on the term sheet (**Attachment B**), which reflects the following material terms to be included in the DDA: purchase price; terms and timing of closing; a good faith deposit; a schedule of development performance; an "as is" property condition at closing; a completion guaranty; a deed restriction requiring the site to be used in perpetuity for a school; future property maintenance requirements for the site; and other conditions/requirements consistent with the term sheet. Because this is a former Oakland redevelopment agency property purchased with Central City East 2006A-T (Taxable) Bond funds, the sale proceeds are restricted funds and will be returned to the original fund to support other redevelopment-eligible activities in the Central City East Project Area; there is no requirement that the sale proceeds be

Item: _____
CED Committee
May 8, 2018

shared with any local taxing entities. The sale price was determined as fair market value (FMV) by an independent appraisal.

BACKGROUND / LEGISLATIVE HISTORY

The Derby Avenue lot (APN#: 025-0720-002-01) has no street address, but is located on the northwest side of Derby Avenue between East 15th Street and International Boulevard (**Attachment A**). The parcel was originally a parking lot owned and operated by the Melrose Ford automobile showroom and service center located at 3050 International Boulevard (APN#: 025-0719-007-01), near the important commercial intersection of Fruitvale Avenue and International Boulevard. The dealership closed its operation in March 2006, and vacated the property in July 2009. The former redevelopment agency authorized the \$3,250,000 purchase of both the 9,000 square foot Derby Avenue parcel and the 32,500 square foot 3050 International Boulevard parcel in January of 2010 (Resolution 2010-0015 C.M.S., **Attachment C**) with the actual acquisition occurring later in 2010. All previous improvements and buildings were demolished in 2011 at a cost of an additional \$425,000 for a total amount of City investment of \$3,675,000. The parcels have been vacant since the purchase date and the Derby parcel is zoned RM-4 Mixed Housing. The 3050 International Boulevard parcel was recently approved for a separate Exclusive Negotiating Agreement (ENA) for an affordable housing project by Satellite Affordable Housing Associates (SAHA) and the Native American Health Center.

The City Council authorized execution of an ENA for the Derby Avenue parcel with the Developer or related entities in 2015 (Resolution 85805 C.M.S., **Attachment D**) to pursue development of an Aspire Charter School on the site and two adjoining parcels controlled by the Developer. The Developer has diligently completed their project deliverables pursuant to the terms of the ENA and has agreed to purchase the property at FMV. Staff commissioned and received an appraisal in June of 2017 from Yovino Young (**Attachment E**) for the "highest and best use" value of \$450,000.

On April 18, 2018, the City of Oakland Planning Commission voted to affirm staff's environmental determination of CEQA Guidelines Section 15183 and 15183.3 and the analyses completed in the Land Use and Transportation Element (LUTE) and Central City East Redevelopment Plan (CCERP) Environmental Impact Reports (EIR) which analyzed environmental impacts associated with additional development. Additionally, the Planning Commission approved the Planning Code permits for Regular Design Review, Major Conditional Use Permit, Minor Conditional Use Permit, and Variances to approve the charter school project. Drawings for the project have been submitted to the California Division of the State Architect ("DSA") and are approved for construction. Since the project involves a public school, by state law all inspections including permitting for the construction will be done through DSA as opposed to the City.

The Project

The proposed project includes the construction of a three-story educational facility to provide education to K-8th graders in a public charter school. The Developer also owns a parcel immediately adjacent to the Derby parcel and that site historically was developed with a 5,264 square-foot five-plex residential structure located on the northeast portion of the project site; in

April 2017, the structure was demolished under a demolition permit issued by the City on January 19, 2017. The third parcel was a parking lot. The proposed project would include construction of a three-story campus building with a total floor area of 48,559 square feet (**Attachment F**). The structure has been designed to segregate the anticipated educational needs by floor. The first floor area would be 18,297 square feet and would include kindergarten through second grade classrooms, as well as a multi-purpose room, kitchen, storage areas, reception/front offices, restrooms, and bicycle storage room; the second floor area would be 15,744 square feet and would include third through fifth grade classrooms, administrative offices, restrooms, storage areas, art classroom, group activities room, teacher lounge, reading room, learning center, storage, and restrooms; and, the third floor area would be 11,901 square feet and would include sixth through eighth grade classrooms, administrative offices, elective flex space, science lab, restrooms, and an exterior recreation area. Finally, the third floor would also feature a rooftop outdoor recreation area with 2,617 square feet.

In addition to the three-story structure, the proposed project would include a 9,500 square-foot outdoor play/recreation area; complete with a green living wall, play structure and synthetic turf area, and a 3,013 square-foot indoor multi-purpose room.

At full capacity, the proposed project would accommodate no more than 620 K-8th grade students and a staff of up to 51 employees, with limited employee parking that includes eleven on-site parking stalls and four additional stalls available at the Fruitvale Medical Building (located directly south of the project site) through an executed shared parking agreement. The proposed school would be constructed at a maximum height of 49 feet with solar panels on the roof of the building. The developer has conducted several community outreach meetings. (See Public Outreach section, below.)

The Developer estimates the total Aspire Charter School project to cost approximately \$29.2 million dollars, and to generate approximately 109 construction jobs during the construction process.

ANALYSIS AND POLICY ALTERNATIVES

The Developer has currently completed all deliverables pursuant to the ENA, the Planning Commission has approved the required Planning Code permits and the DSA has approved the drawings for construction. Staff commissioned and received a copy of an independent Member of Appraisal Institute (MAI) appraisal from Yovino Young Inc., one of the City's on-call appraisal firms, which estimated the fair market value of the property at \$450,000, based on the highest and best use. The Developer has accepted the Yovino Young appraisal findings and did not seek to commission their own appraisal.

As part of the disposition of a former Oakland redevelopment agency property, the City must undergo an independent analysis of the property as required by California Government Code Section 52201. In order to meet the requirements of this government code, the City maintains on-call real estate economic firms to provide the required findings. Century Urban ("CU") provided their summary of findings (**Attachment G**). CU's findings indicate that the consideration of \$450,000 "to be paid by the Developer to the City for the property is equal to and not less than the estimated fair value" of the property. CU found that the project also

complies with Government Code 52200.2 in the creation of an economic opportunity, as the City is not making any investment in the project and the project will provide approximately 51 full-time permanent jobs.

Sale versus Lease

Under the City's Lease vs. Sale Policy, long-term ground leases are preferred versus a sale, unless the City Council determines a sale is in the City's best interest. City staff recommends selling the land to the Developer rather than entering into a long-term ground lease, in consideration of the four (4) following factors:

1. The project is made possible by a \$30 million award of State of California Proposition 1D bonds, which dictates the relevant facility or any part thereof cannot be held by multiple owners. Developer already owns two of the parcels required to develop the site and therefore must also own the Derby Avenue parcel to have the benefit of the \$30 million award.
2. School Facility Program Regulations (Section 1859.173) require that title to school facilities be held by the school district, a local government entity or a charter school. Developer must transfer the property to the Aspire Charter school organization to meet this requirement. In the event that Aspire is unable to continue to operate their charter school at this location, title to the property will revert to the local school district (Oakland Unified School District). If the district refuses title at such time, then the state receives title and will offer it to another public charter school.
3. In order to pull building permits, all three parcels on which the school will be developed and constructed will need to be merged into a single legal parcel, as buildings may not be constructed across parcel lines, pursuant to City's building code.
4. If the City desires to move this project forward while continuing to maintain ownership of the Derby Avenue parcel and instead lease the parcel, the City would need to purchase the two adjoining parcels that are also part of the project to be compliant with the regulation described in Item 2 above. Funding for the acquisition of the two parcels would need to come from a source other than the state Prop 1D bonds. The City does not currently have funds identified for such a purchase, nor has an appraisal of the value of the two adjoining parcels been commissioned.

To facilitate the development of the Aspire Charter School, staff is recommending that the City consider the transfer of the property through a DDA, rather than a Lease and Development Agreement. If the City wants to maintain an investment in land, the proceeds from this sale could be used to purchase other property within the Central City East project area. Under a typical City DDA structure, the property is transferred to the developer after the developer has met the following conditions: obtained building permits, engaged a general contractor/signed a construction contract, secured financing and provided to City such other evidence showing that the project is ready to start construction and will be completed pursuant to the agreed upon schedule. In addition, the DDA typically requires that the City retain a reversionary interest in the parcel the City deeds to the developer allowing City to take back the parcel in the event that developer defaults under its construction or other obligations, as specified in the DDA.

However, certain elements of this transaction suggest that modifications to the City's typical DDA structure will be needed. Specifically, (A) because Developer will be required to merge the Derby Avenue parcel with the two other adjacent parcels it owns as a condition to obtaining building permits, Developer must take title to the Derby Avenue parcel before obtaining building permits, and (B) because the Derby Avenue parcel will be combined with two other parcels to create a single legal lot, it will not be practical for the City to retain a reversionary interest on a fractional share of the new legal lot. However, Developer will still be required to guaranty completion of the project before the parcel will be transferred. Also, the DDA will state that Developer will be required to obtain permits promptly after closing and its receipt of the parcel map combining the parcels, and that the deed from City to Developer will include a restrictive covenant causing the entire parcel (i.e., all three combined lots) to be used in perpetuity for a school use. As also described in item 2 above, Oakland Unified School District and the State thereafter will hold a reversionary interest in the site so it is used as a school.

Public Lands Strategy Discussions

City staff, Council staff, and community advocates have been reviewing and discussing potential changes to the City's real estate disposition ordinance (referred to as the City's "Public Lands Policies"). Among the potential provisions that have been debated are, for all new development projects on City-owned land, applying an inclusionary percentage or higher impact fees for affordable housing, the diversion of a percentage of sales proceeds to the Affordable Housing Trust Fund, requiring developers to adhere to City Programs for Local Hire and Small/Local Business Enterprises, requiring developers to enter into Project Labor Agreements and requiring operations to be subject to Labor Peace Agreements. Staff has been evaluating the potential fiscal and affordable housing production impact of these provisions on the remaining portfolio of currently available development sites, before finalizing a recommendation for Council. Because the above potential amendments to our real estate disposition ordinance have not yet been considered or adopted, the analysis in this report assumes a fair market sale of the land with no additional community benefits beyond existing Jobs/Housing Impact Fees. The addition of a requirement for a Project Labor Agreement, Local and Small Local Business Enterprise (L/SLBE) Program, the Local Employment Program (LEP), or other community benefits would significantly reduce the reuse value of the site, require a City subsidy for the project, or could potentially render the project infeasible.

FISCAL IMPACT

Approval of this ordinance will authorize the City to accept and appropriate land sale proceeds of \$450,000 from Pacific Companies or its related entities for the purchase of the Derby Avenue lot. A "good faith deposit" of \$50,000 will be required from the \$450,000 purchase amount from the Developer upon execution of the DDA. The \$450,000 in sale proceed funds must be returned to Central City East TA Bonds Series 2006A-T (Taxable) Fund (5643), CCE Land Acquisition Project (1000151) as the property was originally purchased with CCE Bond funds. It is anticipated that the "good faith deposit" of \$50,000 will be received by the City in Fiscal Year (FY) 2017-18 upon the execution of the DDA. The transfer of the property and the remaining \$400,000 in land sale proceeds may occur during FY 2017-18 or FY 2018-19, depending upon when the Developer meets the requirements of the DDA. Sale proceeds from

properties purchased via restricted taxable bond funds are not required to be shared with local tax entities. If the DDA expires and the transfer of the property does not occur, then the good faith deposit will be returned to the Developer.

A non-refundable Project Expense Payment (PEP) of \$25,000 was agreed upon with the developer during the Exclusive Negotiating process. However, the City was not properly authorized to accept and appropriate the funds in the Resolution that authorized the Exclusive Negotiating process (Resolution 85805 C.M.S.) and therefore the funds were not deposited with the City and remained with the Developer until proper authorization could be received. Approval of this ordinance will now authorize the City to accept and appropriate the \$25,000 PEP in Central City East TA Bonds Series 2006A-T (Taxable) Fund (5643) and Project (To Be Determined). It is anticipated that the PEP will be received by the City in Fiscal Year (FY) 2017-18 upon approval of the ordinance.

No direct tax revenue is expected from the development of the project because it is a public charter school, and therefore exempt from property and other local taxes.

PUBLIC OUTREACH / INTEREST

The Derby Avenue Parcel is one of several City-owned properties included in the former Central City East (CCE) Redevelopment project area. The redevelopment plan was developed in close collaboration with the CCE Project Advisory Committee members that represented residents, property owners, community groups, and tenants in the area. The site was purchased as a way to promote development and address the problem of vacant blighted properties along International Blvd.

As required by the ENA, the Developer held multiple community outreach events inviting community organizations, residents, and stakeholders to solicit feedback, input, and comments regarding the proposed development. In March 2016, the Developer held a meeting at the Fruitvale/San Antonio Senior Center. In April 2016, the Developer held a meeting at the Native American Health Center. Other general outreach efforts were conducted in 2015 and 2016, consisting of multiple community walks to local neighbors, businesses and organizations to conduct informal conversations regarding the proposed project, which was often met with support. Periodic meetings regarding the project were also held between the Developer and Councilmember Gallo and staff.

COORDINATION

Economic and Workforce Development (EWD) staff worked closely and coordinated with the City Attorney's Office in preparing the report and Term Sheet, and both parties will also work together on the final Disposition and Development Agreement (DDA).

SUSTAINABLE OPPORTUNITIES

Economic: Sale of the Derby Street parcel will result in the development of the Aspire Charter School, resulting in the generation of approximately 109 construction jobs, and the retention of 51 teacher and school staff jobs. Indirectly, the development of the charter school will improve neighborhood conditions by removing a vacant and blighted parking lot. Additionally, the introduction of a public charter school will make the neighborhood area more community oriented and attractive to current and prospective homeowners.

Environmental: The Aspire Charter School project has been approved by the Oakland Planning Commission which affirmed staff's environmental determination of CEQA Guidelines Section 15183 and 15183.3: projects consistent with a community plan, general plan or zoning. The project meets the requirements of Title 18, Sustainable Green Building Requirements for Private Development, of the Oakland Municipal Code. In addition, the school would be constructed at a maximum height of 49 feet with solar panels on the roof of the building to further sustainability and energy efficiency concerns.

Social Equity: The development of a K-8th grade public charter school will provide an educational resource to local homeowners and residents. As a public charter school, the application process is open to anyone, with no admission requirements and no tuition. Aspire Public Schools does not discriminate on the basis of race, color, religion, age, gender, gender expression, gender identity, sexual orientation, citizenship, disability, national or ethnic origin in administration of its admissions policies or education programs. If the number of students who wish to attend the school exceeds the school's capacity, attendance will be determined by a public random drawing. Depending on the site, priority in the lottery may be given to families within the chartering district.

CEQA

On April 4, 2018, the City of Oakland Planning Commission voted to affirm staff's environmental determination of CEQA Guidelines Section 15183 and 15183.3 and the analyses completed in the Land Use and Transportation Element (LUTE) and Central City East Redevelopment Plan (CCERP) Environmental Impact Reports (EIR) which analyzed environmental impacts associated with additional development. The zoning for the Derby Avenue parcel is currently, RM-4, Mixed Housing Type Residential. The Planning Commission approved a Major Conditional Use Permit, a Minor Conditional Use Permit and minor Variances to facilitate the development of the charter school.

ACTION REQUESTED OF THE CITY COUNCIL

Staff Recommends That The City Council Adopt An Ordinance Authorizing The City Administrator Or Designee, Without Returning To The City Council, To Negotiate And Execute A Disposition And Development Agreement And Related Documents Between The City Of Oakland And Pacific West Communities, Inc., Or A Related Entity, On Terms and Conditions Described Herein, For The Sale Of The Derby Avenue Parcel (APN 025-0720-002-01) At The Appraised Fair Market Value Of \$450,000 For The Development Of An Aspire Public Charter School.

For questions regarding this report, please contact Larry Gallegos, East Oakland Area Manager at (510) 238-6174.

Respectfully submitted,



MARK SAWICKI
Director, Economic and Workforce
Development

Reviewed by:
Patrick Lane, Division Manager
Larry Gallegos, Area Manager

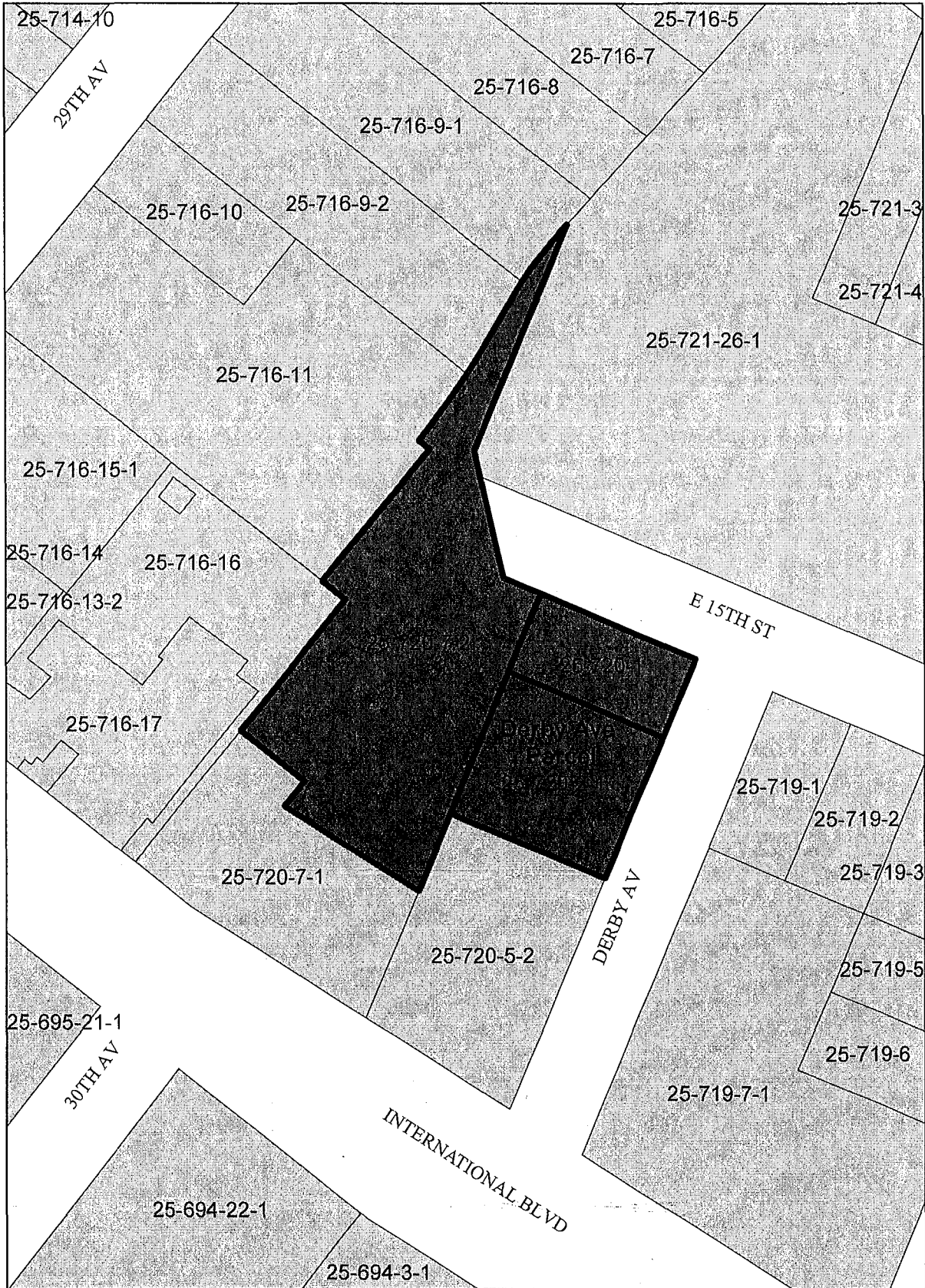
Prepared by:
Kimani Rogers, Urban Economic Analyst IV

Attachments (7):

- A: Project Area Map
- B: Term Sheet
- C: Resolution No. 2010-0015 C.M.S.
- D: Resolution No. 85805 C.M.S.
- E: Derby Avenue Parcel Appraisal
- F: Aspire School Site Plan and Three-Dimensional Exhibit
- G: Derby Avenue Parcel 52201 Report

Item: _____
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May 8, 2018

Attachment A: APN# 25-720-2-1 Derby Avenue Parcel Map



ATTACHMENT B

DDA TERM SHEET

DERBY AVENUE (APN #: 025-0720-002-01)

May 8, 2018

Note- This term sheet shall serve as the basis for the negotiations of a detailed final Disposition and Development Agreement (“DDA”) between the City of Oakland, a municipal corporation, and Pacific West Communities, Inc., Idaho corporation (the “Developer”). The terms hereof are not binding on the parties until Developer and City, pursuant to City Council authorization, have executed a mutually acceptable DDA for the proposed project.

1	OWNER	City of Oakland
2A	DEVELOPER	Pacific West Communities, Inc., an Idaho corporation (“Developer”) and/or affiliated entities
2B	NO ASSIGNMENT	Except as may be set forth in the DDA, Developer shall have no right to assign the DDA nor the development of the Project without prior written consent of City, in its sole and absolute discretion. Notwithstanding the forgoing, Developer shall have the right to assign the DDA to an Aspire Public School entity that is reasonably approved by City (“Affiliate”). If an assignment of the DDA to an Affiliate occurs, the entity to which the DDA was assigned shall then be deemed Developer.
3	COMPLETION GUARANTY	Developer to provide City a Completion Guaranty as part of DDA and as a condition to closing. Guarantor must be a financially strong entity with significant assets or capital sufficient to complete the development of a charter school (the “Project”), pursuant to criteria set forth in the DDA, and acceptable to City in its sole and absolute discretion. The Guarantor shall guarantee Project completion, as determined by City. Developer will identify the Guarantor within 90 days after DDA approval. A “Form of Guaranty” will be included as an attachment to the DDA and will need to be executed by City approved guarantor at close of escrow.
4	PROPERTY	Approximately 9,000 square foot parcel owned by City: APN #: 025-0720-002-01 located on Derby Avenue, between International Boulevard and East 15 th Street in Oakland, California (the “Property”).

5	PROJECT DESCRIPTION	The proposed development Project will be comprised of the Property and two additional parcels currently owned by Developer and includes the construction of a three-story education center that will serve as a kindergarten through eighth grade public charter school. The education center would have a total floor area of approx. 48,559 square feet, in addition to a 9,500 square-foot outdoor play/recreation area and a 3,013 square-foot indoor multi-purpose room.
6	PURCHASE PRICE	The purchase price shall be <u>\$450,000.00</u> (Four Hundred Fifty Thousand Dollars and No Cents) for fee simple ownership which is based on the agreed upon fair market value appraisal completed by Yovino Young Incorporated, dated June 6, 2017.
7	TERMS OF PAYMENT/ CLOSING	The full purchase price amount will be due to City and payable in cash or certified funds submitted into escrow three (3) business days before close of escrow. Escrow to close in accordance with the schedule of performance contained herein. (Item #10).
8	GOOD FAITH DEPOSIT	Upon execution of the DDA, Developer will deposit \$50,000 in escrow as a good faith deposit. Good faith deposit shall only be refundable to Developer in the event of a material default by City, subject to the terms and conditions of the DDA. Subject to the next sentence, said good faith deposit shall be credited to the purchase price at closing. If Developer fails to close under the DDA terms, (unless extended in writing by City) or otherwise defaults on any obligation under the DDA, City shall retain the good faith deposit as liquidated damages.
9A	DEFAULT	DDA to include City's standard remedies including, without limitation, right to terminate transaction upon Developer's default.
9B	MEMORANDUM ENCUMBERING TITLE/DEED RESTRICTION	At closing, a memorandum will be recorded encumbering title to the Property conveyed to Developer memorializing Developer's obligations (until all are met) to record the parcel map, pull building permits and commence construction by the dates in the DDA. In addition, a deed restriction requiring the Project site to be used in perpetuity for a school will be recorded against title to the Property.

10	SCHEDULE OF PERFORMANCE TARGET DATES	<p>Upon DDA Execution – Developer shall make good faith deposit of \$50,000.</p> <p>Within <u>30 Days</u> of DDA Execution - Developer shall submit two (2) years of unaudited financial statements prepared by its internal controller according to standard general accounting principles for Developer for City review and submit an update 60 days prior to close of escrow. However, City reserves the right to have a third party consultant provide an independent review of the financials.</p> <p>Within <u>60 Days</u> of DDA Execution - Developer shall submit evidence of funds/equity commitments for land acquisition for City review. If close of escrow is 45 days beyond initial submittal, Developer must submit an update 30 days prior to close of escrow.</p> <p>Within <u>90 Days</u> of DDA Execution – Developer shall identify a Guarantor that is acceptable to City, as described in #3 above.</p> <p>Close of Escrow – The DDA shall set for the exact date of the close of escrow, which shall be no later than August 30, 2018 (“Outside Close of Escrow Date”).</p> <p>After Close of Escrow DDA – Developer shall commence construction within 60 days after close of escrow and proceed diligently thereafter to complete construction by July 1, 2020.</p> <p>Complete Construction – Developer shall completion construction by July 1, 2020.</p> <p>Extensions of Schedule – Developer’s performance by the target dates described above may be extended for a reasonable period of time upon the mutual, written agreement of City and Developer if necessary as a result of Force Majeure (as described in the DDA) and/or as otherwise agreed to in writing by the parties.</p> <p>Shortening of Schedule – To the extent that the date of the close of escrow is agreed by the parties to be a date than is sooner than the Outside Close of Escrow Date, the schedule of performance target dates, as described above, shall also be shortened as necessary to coordinate with the actual close of escrow date.</p>
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		<p>Irrespective, Developer agrees that close of escrow shall not occur unless is has satisfied the conditions described in the first four (4) paragraphs above to the satisfaction of City.</p>
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11	TITLE INSURANCE	City to secure title insurance policy from Old Republic Title Insurance Company at 555 12 th Street, Oakland, CA 946-7, Attention: Niels Povlsen
12	CLOSING COSTS	Developer shall pay all escrow fees and closing costs including, without limitation, city, county and other taxes.
13	LIMITATIONS ON PROPERTY RIGHTS	Without limiting Developer's title review contingencies, Developer accepts and acknowledges the Property may be subject to deed restrictions and recorded covenants to restrict use of property, as applicable in the DDA. Developer to comply with provisions of the Central City East Redevelopment Plan.
14	CONDITION OF PROPERTY AT DELIVERY	Developer agrees to accept the Property "as is" in its current condition without warranty express or implied by City, including without limitation, with respect to the presence of hazardous materials known or unknown on or near the Property.
15	ENVIRONMENTAL REMEDIATION	Environmental Notice. City hereby gives notice to Developer that, to the best of Developer's knowledge, Developer is aware of all environmental concerns associated with the site, including that the Project site is listed as an active school cleanup site on the State "Cortese" list pursuant to Government Code Section 65962.5. Developer is working with the California Department of Toxic Substance Control (DTSC) and has gone through the DTSC's Removal Action Workplan (RAW) process, with an approved RAW issued by DTSC on June 30, 2017. DTSC has accepted the oversight role, and Developer is working with DTSC to remediate the Project site prior to construction. The Planning Commission affirmed that the project meets the eligibility requirements for CEQA Guidelines Section 15183 and 15183.3 on April 4, 2018. City shall not be liable for any previously identified or unforeseen environmental remediation costs.
16	INDEMNIFICATION	Developer shall provide standard commercial indemnification, hold harmless and defense obligations (including, without limitations environmental indemnity) to City and its Councilmembers, employees, officers, commissioners, directors, partners and agents. City and Developer to negotiate the various levels of indemnification as part of the DDA.
17	NO COMMISSION	City shall not pay or be liable for any commissions or brokerage fees. The parties shall hold each other harmless and defend against any claims for commissions or brokerage.

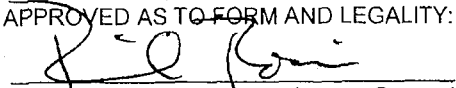
18	SIGNAGE	Developer may not install or place signage on any existing City street outside the Property or in the public corridor, without prior City approvals and proper permits. Developer may install and place signage on the remaining Property in compliance with City codes, or other applicable codes or regulations.
19	DEVELOPER MAINTENANCE/ STANDARD OF PROPERTY	Developer to maintain the Property and Project in first-class condition and shall ensure that the Property does not violate the City's Blight Ordinance.
20	FINAL CONSTRUCTION PLANS PER DSA	Drawings for the project have been submitted to the California Division of the State Architect (DSA) and are approved for construction by DSA. Such approval(s) by DSA does not eliminate or modify in any way City's approval rights pursuant to local law.
21	PAYMENT & PERFORMANCE BONDS	Prior to commencement of construction and recordation of the parcel map combining the three (3) parcels, Developer shall obtain (or cause its general contractor to obtain) a payment bond for 100% of the estimated amounts owed to subcontractors and suppliers for the Project and a performance bond for 100% of the estimated construction costs for the Project, both in a form and substance acceptable to City.
22	RIGHT OF ENTRY PRIOR TO CLOSING	Developer shall have the right to enter the Property prior to transfer to conduct investigation and testing at Developer's cost and pursuant to its ENA with City. Developer shall have the right to access the Property for purposes of completing Developer's due diligence work, subject to providing City with indemnity, insurance and other terms set forth in the ENA or other document between City and Developer. Notwithstanding the prior sentence, Developer shall not do any invasive testing without the written consent of City.
23	FINANCING	The DDA shall include an objective standard (experience, size, etc.) of what an "Approved Lender" is, subject to administrative approval. The DDA shall include customary mortgagee protections in favor of an Approved Lender.
24	SALE OR REFINANCE OF IMPROVEMENTS	The DDA shall include non-exclusive criteria regarding the "reasonableness" standard for City consent that will include, without limitation, City's sole and absolute right to withhold consent to any change in permitted uses, and City's right to consider proposed assignee's financial capacity, general business reputation, and experience in the allowed uses. Developer shall have no transfer rights prior to completion of construction of the Project, except for as permitted in #27 below.

25	TAXES	Developer shall be solely responsible for the payment of any taxes, levies, assessments, fees or charges that may be assessed against the Property, Pacific West Communities or City with respect to the Property, the occupation or operation thereof, the revenue derived there from, or any personal property or fixtures located thereon arising from the Project's construction and operations (collectively referred to as "Taxes").
26	STANDARD CONDITIONS	The DDA shall include standard City conditions, including completion guaranty executed on or before the Closing Date; approval by City of financing plan, assignment and transfer, amendments to Project and Project approvals, copies of all required regulatory approvals, and insurance policies; and default, notice and cure, and termination provisions.
27	PERMITTED TRANSFERS	Prior to Project completion, the Developer shall not have the right to assign or transfer all or any portion of its rights and obligations under the DDA, other than an Affiliate Transfer, as described in #2B .
28	OFF-SITE IMPROVEMENTS	Developer to be responsible for the cost of any off-site improvements and relocation of all existing utilities and easements in advance of commencing construction of the Project.
29	CAPITAL IMPROVEMENT	The City's Capital Improvement Impact Fee (a "CI Requirement") and Transportation Impact Fee (a "TI Requirement") as well as other Impact Fees may apply to the Project pursuant to approved City Ordinances.

FILED
OFFICE OF THE CITY CLERK
OAKLAND

2010 JAN 13 PM 7:02

APPROVED AS TO FORM AND LEGALITY:


Agency Counsel

REDEVELOPMENT AGENCY OF THE CITY OF OAKLAND

2010-0015
RESOLUTION NO. _____ C.M.S.

AN AGENCY RESOLUTION AUTHORIZING THE PURCHASE OF REAL PROPERTY AT 3050 INTERNATIONAL BOULEVARD IN THE COLISEUM REDEVELOPMENT PROJECT AREA AND THE DERBY AVENUE LOT LOCATED ADJACENT TO 3028 INTERNATIONAL BOULEVARD, IN THE CENTRAL CITY EAST REDEVELOPMENT PROJECT AREA, FROM MELROSE REAL ESTATE HOLDINGS FOR \$3,250,000, LESS THE COST OF ANY ENVIRONMENTAL SITE REMEDIATION, AND AUTHORIZING UP TO \$20,000 FOR REAL ESTATE CLOSING COSTS

WHEREAS, the Coliseum Area Redevelopment Plan adopted by the City Council on July 25, 1995 and later amended on July 29, 1997, includes alleviation of general blight and unsafe conditions as a goal for the Coliseum Project Area; and

WHEREAS, the Central City East Redevelopment Plan adopted by the City Council on July 29, 2003, includes alleviation of general blight and unsafe conditions as a goal for the Central City East Project Area; and

WHEREAS, the Redevelopment Agency is implementing projects in the Central City East and Coliseum Redevelopment Project Areas as part of their respective Redevelopment Plans to improve the Redevelopment Areas; and

WHEREAS, Section 33391 of the California Community Redevelopment Law (Health & Safety Code Sections 33000, et seq.) authorizes a redevelopment agency to purchase real property in a project area for purposes of redevelopment; and

WHEREAS, real property located at 3050 International Boulevard (Assessor's Parcel Number 025-0719-007-01) is in the Coliseum Redevelopment Project Area, and real property located at the Derby Avenue Lot (Assessor's Parcel Numbers 025-0719-007-01) adjacent to 3028 International Boulevard is in the Central City East Redevelopment Project Area (together, these two parcels are referred to as the "Property" and are further identified in *Exhibit "A"* to this Resolution); and

WHEREAS, the Property, consisting of a vacant commercial building encompassing a total of approximately 25,300 square feet, and a vacant lot with a land area of 9,000 square feet is currently blighted and underutilized; and

WHEREAS, the Agency desires to acquire and hold the Property for future development, to rid the Property of blight, and to redevelop the Property in the future; and

WHEREAS, Melrose Real Estate Holdings, the owner, offered to sell the Property to the Agency at market value of \$3,250,000 minus the cost of site remediation, to assist the Agency in its redevelopment efforts in the Central City East and Coliseum Redevelopment Project Areas; and

WHEREAS, the sale by the owner was not induced, the sale price is at market value as established by an appraisal, and no federal funds will be used for acquisition of the Property; and

WHEREAS, the Property has been appraised, a Phase I environmental investigation has been completed and the Agency has executed an option contract to enter into a purchase and sale agreement with the owner of the Property to acquire the Property for \$3,250,000, less any site remediation costs; and

WHEREAS, the cost of real estate closing is estimated to be \$20,000; and

WHEREAS, the Agency issued and received Series 2006A-T bonds for the Central City East Redevelopment Project Area and Series 2006 for the Coliseum Redevelopment Project Area to be used for, among other things, the acquisition of vacant, blighted, obsolete and/or underutilized properties; and

WHEREAS, funding for the acquisition of the Property is available from Central City East Tax Allocation Bond Series 2006A-T (Taxable) Bonds Fund (9543), Central City East Organization (88699), CCE Land Acquisition Project (S233351) and Coliseum Redevelopment Project Area Tax Allocation Bonds, Series 2006 (Taxable) Fund (9456) Capital Improvement Project, Economic Development Organization (94800) Coliseum Land Acquisition- Taxable Bond Project (T315820); and

WHEREAS, the Central City East Redevelopment Project Area Committee has recommended that the Agency acquire the Property; and

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

RESOLVED: That the Agency hereby authorizes the Agency Administrator to negotiate and execute an agreement for the purchase of the Property for a purchase price of \$3,250,000 minus the cost of site remediation; and be it

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

1. That the funding of the acquisition of the Property from redevelopment funds will benefit the Central City East and Coliseum Redevelopment Project Areas by creating future development opportunities to better serve area residents and businesses and improve physical conditions in both Redevelopment Project Areas;

2. That the use of tax increment funds from the Central City East and Coliseum Redevelopment Project Areas for the purchase is consistent with the implementation plan adopted for the Central City East and Coliseum Project Areas and will assist in the elimination of blight in the Project Areas by redeveloping underutilized parcels; and be it

FURTHER RESOLVED: That up to \$20,000 shall be used for real estate closing costs; and be it

FURTHER RESOLVED: That funds in the amount of \$ 2,877,600 will be allocated from Central City East Tax Allocation Bond Series 2006A-T (Taxable) Bonds Fund (9543), Central City East Organization (88699), CCE Land Acquisition Project (S233351), and funds in the amount of \$ 392,400 will be allocated from Coliseum Redevelopment Project Area Tax Allocation Bonds, Series 2006 (Taxable) Fund (9456) Capital Improvement Project, Economic Development Organization (94800) Coliseum Land Acquisition- Taxable Bond Project (T315820) for this purpose; and be it

FURTHER RESOLVED: That the Agency has independently reviewed and considered this environmental determination, and the Agency finds and determines that this action complies with CEQA because this action on the part of the Agency is exempt from CEQA under Section 15061(b)(3) (activity covered by the general rule, no significant effect on the environment) and Section 15183 (projects consistent with the General Plan) of the CEQA Guidelines, and directs the Agency Administrator to file a Notice of Exemption and an Environmental Declaration (under California Fish and Game Code section 711.4) with the County of Alameda; and be it

FURTHER RESOLVED: That the Agency Administrator or his designee is hereby authorized to negotiate and execute all agreements and to take whatever other action is necessary with respect to the acquisition consistent with this Resolution and its basic purposes; and be it

FURTHER RESOLVED: That Agency Counsel shall review and approve all agreements and other documents related to this acquisition as to form and legality, and a copy shall be placed on file in the Office of the Agency Secretary.

FEB 16 2010

IN AGENCY, OAKLAND, CALIFORNIA, _____, 2010

PASSED BY THE FOLLOWING VOTE:

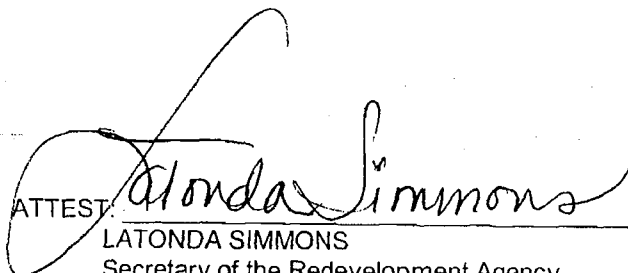
AYES- KERNIGHAN, NADEL, QUAN, DE LA FUENTE, BROOKS, REID, KAPLAN, AND
CHAIRPERSON BRUNNER - 8

NOES- 0

ABSENT- 0

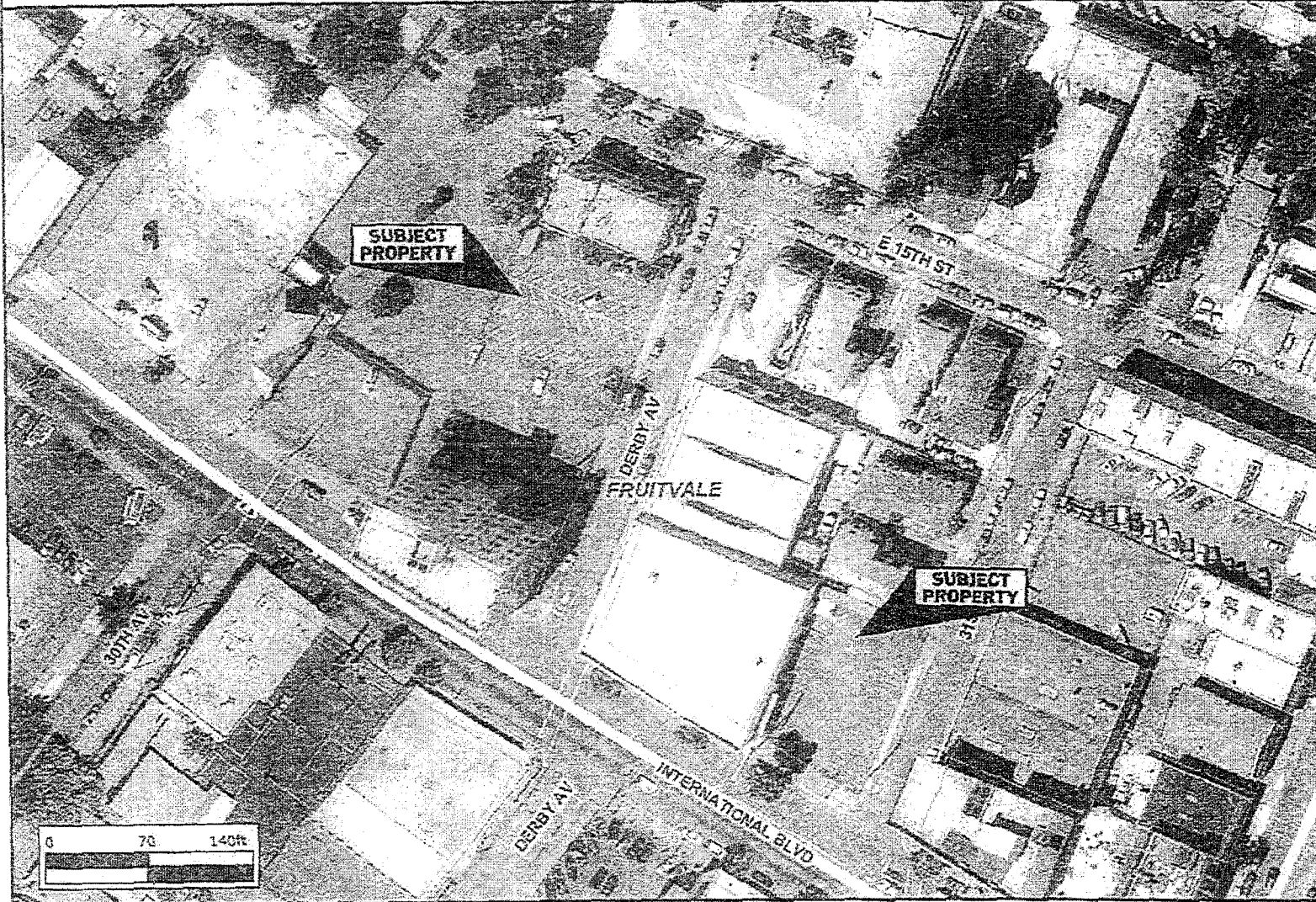
ABSTENTION- 0

ATTEST


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

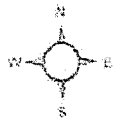
3050 International Blvd and Derby Ave. lot

Exhibit "A"



Legend

Attachment C: Resolution No. 2015-0015 C.M.S.



It is imperative that you obtain BOTH the Zoning and General Plan designations for the property(s) you are searching for.

Questions? Contact a planner at (510)238-3911.

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AN AGENCY RESOLUTION AUTHORIZING THE PURCHASE OF REAL PROPERTY AT 3050 INTERNATIONAL BOULEVARD IN THE COLISEUM REDEVELOPMENT PROJECT AREA AND THE DERBY AVENUE LOT LOCATED ADJACENT TO 3028 INTERNATIONAL BOULEVARD, IN THE CENTRAL CITY EAST REDEVELOPMENT PROJECT AREA, FROM MELROSE REAL ESTATE HOLDINGS FOR \$3,250,000, LESS THE COST OF ANY ENVIRONMENTAL SITE REMEDIATION, AND AUTHORIZING UP TO \$20,000 FOR REAL ESTATE CLOSING COSTS

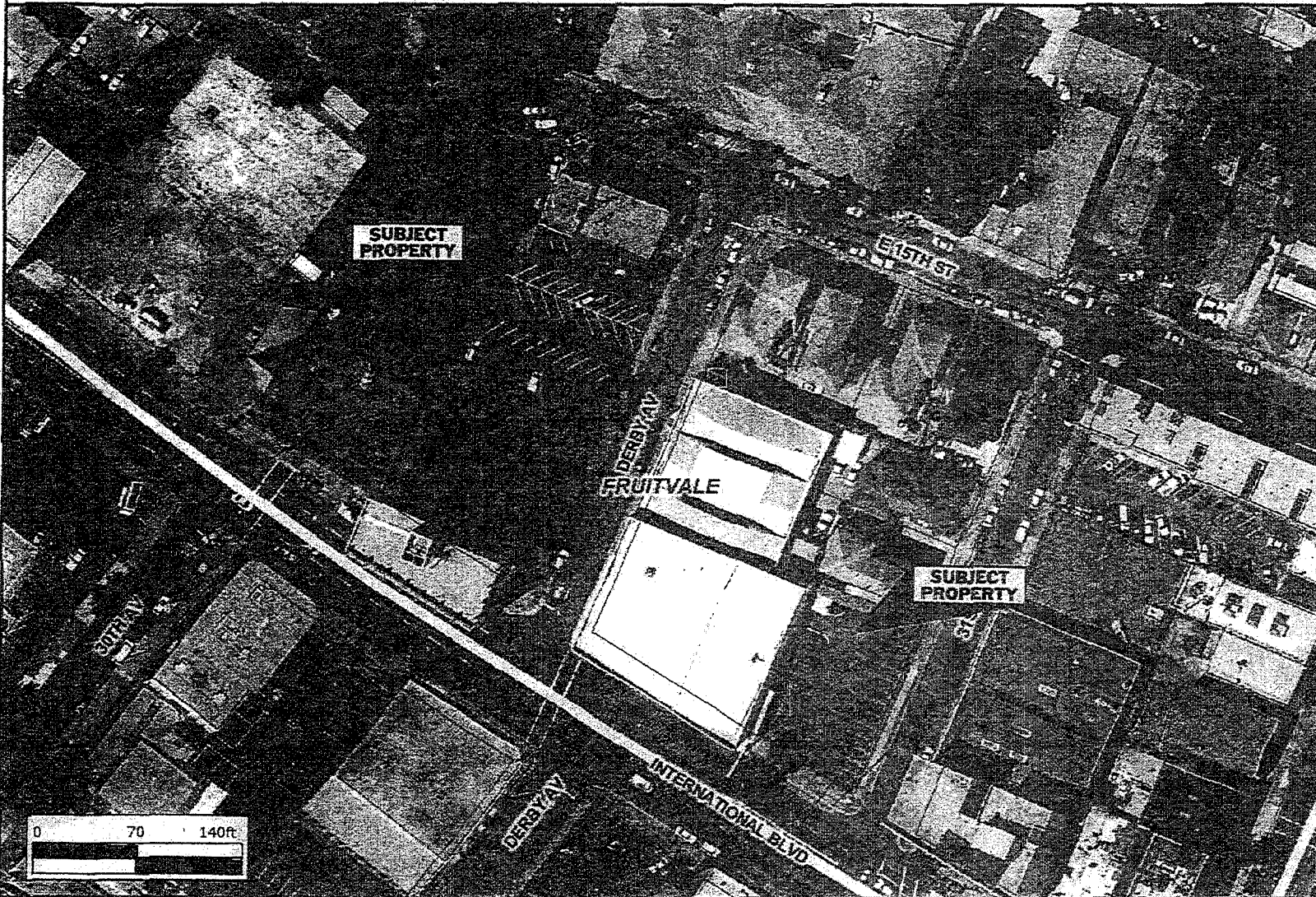
EXHIBIT A

PROPERTY DESCRIPTION

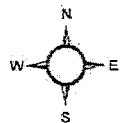
(attached)

3050 International Blvd and Derby Ave. lot

Exhibit "A"



Legend



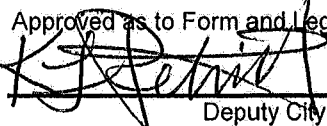
It is imperative that you obtain BOTH the Zoning and General Plan designations for the property(s) you are searching for.

Questions? Contact a planner at (510)238-3911.

Printed: 12/22/2009 9:18:57 AM



FILED
OFFICE OF THE CITY CLERK
OAKLAND
2015 AUG 32 PM 3:38

Approved as to Form and Legality:

Deputy City Attorney

OAKLAND CITY COUNCIL

RESOLUTION No. 85805 C.M.S.

A RESOLUTION AUTHORIZING THE CITY ADMINISTRATOR OR DESIGNEE TO NEGOTIATE AND EXECUTE AN EXCLUSIVE NEGOTIATING AGREEMENT WITH THE PACIFIC COMPANIES OR ITS RELATED ENTITIES OR AFFILIATES FOR TWELVE MONTHS WITH ONE OPTIONAL SIX MONTH ADMINISTRATIVE EXTENSION FOR THE DEVELOPMENT OF THE DERBY AVENUE PROPERTY ON APN NO. 025-0720-002-01.

WHEREAS, the City of Oakland ("City") owns a 9,000 square foot paved parking lot located on APN#: 025-0720-002-01 on Derby Avenue ("Site"); and

WHEREAS, the Pacific Companies submitted a proposal to purchase or lease the Site to develop a charter school and affordable housing (the "Project") on the Site; and

WHEREAS, the City and Pacific Companies wish to enter into a period of preliminary study and exclusive negotiations of the proposed Project, with the understanding that such study and negotiations do not constitute a binding commitment on the part of the City to the proposed Project or Pacific Companies for the Property; now, therefore, be it

RESOLVED: That the City Council hereby authorizes the City Administrator or designee to negotiate and enter into an Exclusive Negotiating Agreement ("ENA") with Pacific Companies or its related entities or affiliates for the purposes of studying and evaluating the feasibility of the development of the proposed Project for the development of a charter school and affordable housing for City review and approval, undertake the necessary environmental review process, and negotiate the terms and conditions of a Lease Disposition and Development Agreement ("LDDA"); and be it

FURTHER RESOLVED: That this property on APN#: 025-0720-002-01 on Derby Avenue is exempt from the State Surplus Lands Act because the Property has not been in the City's use;

FURTHER RESOLVED: That the initial exclusive negotiating period will be for twelve (12) months from the date hereof, with the option by the City Administrator or designee in her sole discretion to extend said period by an additional six months; and be it

FURTHER RESOLVED: That the ENA shall be reviewed and approved as to form and legality by the City Attorney's Office prior to execution; and be it

FURTHER RESOLVED: That the City finds and determines, after independent review and consideration, that the authorization to enter into the ENA with Pacific Companies is exempt from CEQA pursuant to Section 15262 (feasibility and planning studies), Section 15306 (information collection) and Section 15061(b)(3) (general rule) of the CEQA Guidelines; and be it

FURTHER RESOLVED: That the City Administrator or her designee shall cause to be filed with the County of Alameda a Notice of Exemption for this action; and be it

FURTHER RESOLVED: That the City Administrator is further authorized to negotiate and enter into other agreements and take whatever action is necessary with respect to the ENA and the Project, consistent with this Resolution and its basic purposes.

OCT 06 2015

IN COUNCIL, OAKLAND, CALIFORNIA, _____

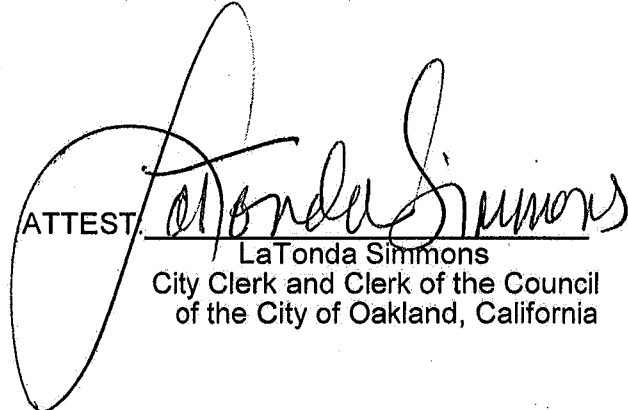
PASSED BY THE FOLLOWING VOTE:

AYES - BROOKS, CAMPBELL WASHINGTON, GALLO, GUILLEN, KALB, KAPLAN, REID, and
PRESIDENT GIBSON McELHANEY - 8

NOES - 0

ABSENT - 0

ABSTENTION - 0

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

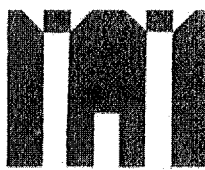


APPRAISAL

Derby Avenue
North of International Boulevard
Oakland, California

June 6, 2017

G. MICHAEL YOVINO YOUNG
MAI, SRA, ASA, FSA
PRESIDENT



YOVINO
YOUNG
INCORPORATED
VALUATION
CONSULTANTS

ALISON J. F. TEEMAN
LLB
VICE-PRESIDENT

June 6, 2017

James Golde

Manager, Real Estate Services
Project Implementation
City of Oakland
250 Frank Ogawa Plaza, Suite 4313
Oakland, CA 94612

APPRAISAL REPORT

Re: Derby Avenue, north of International Blvd
Oakland, California
APN: 025-0720-002-01
Our Reference No. 170249

Dear Mr. Golde:

At your request and authorization, we have completed an appraisal of the above-referenced property consisting of an unimproved non-corner parcel containing $\pm 9,000$ square feet.

The purpose of the appraisal is to estimate the market value of the property under its highest and best use. The intended use of this report is to assist the City of Oakland in a decision regarding a possible disposition of the property by sale

This Appraisal Report is defined and regulated in Standard Rule 2-2 of the Uniform Standards of Professional Appraisal Practice (USPAP), effective January 1, 2016. The appraisal has been performed in accordance with standards and requirements of USPAP, and the Code of Professional Ethics of the Appraisal Institute.

We have concluded that the highest and best use of the property is for redevelopment with a multi-unit residential (or mixed use) complex of up to 8 units.

(continued)



To: James Golde
Re: Derby Avenue

Page 2.
6/6/17

Based on this investigation and analyses, it is my opinion that the market value of the property, as of May 1, 2017, and subject to the Assumptions and Limiting Conditions contained in Section 4 of this report, is:

FOUR HUNDRED FIFTY THOUSAND DOLLARS (\$450,000.00)

Attached as Exhibit C is a statement of the professional qualifications of the appraiser. Thank you for providing us this opportunity to be of service.

Very truly yours,
YOVINO-YOUNG, INCORPORATED

A handwritten signature in black ink, appearing to read 'Peter D. Overton', is written over a horizontal line.

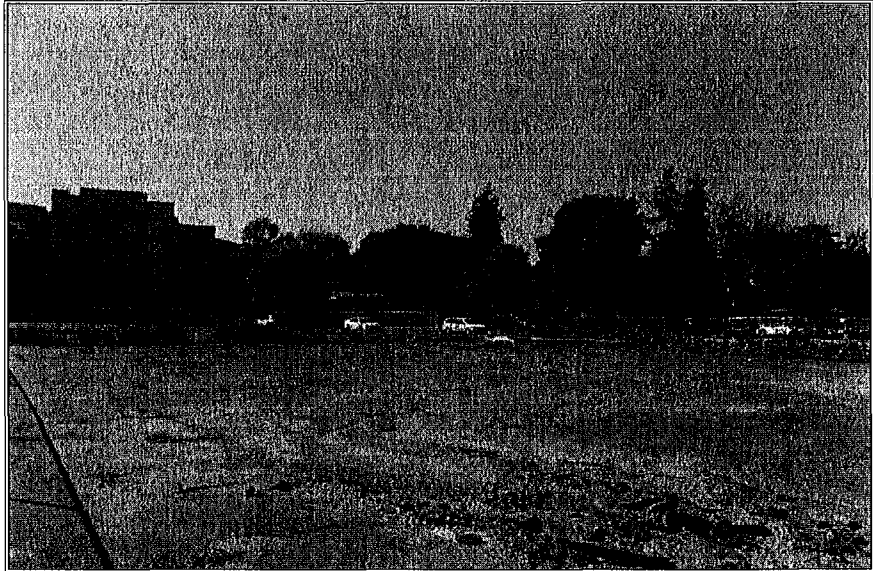
Peter D. Overton, MAI
Appraiser
Certified General R.E. Appraiser,
California State License No. AG002631

PO:po

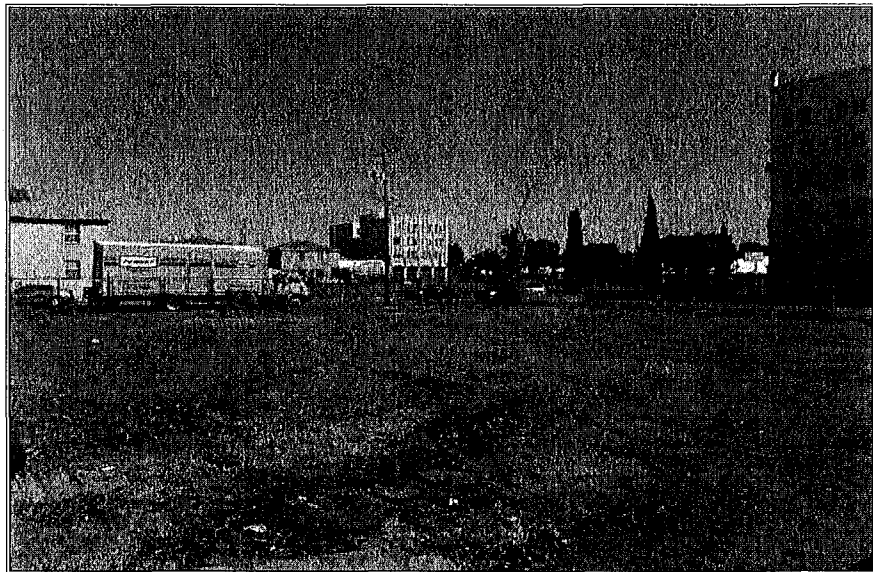
Attachment E: Derby Avenue Parcel Appraisal

Subject Property
Derby Avenue, North of
International Boulevard,
Oakland, California

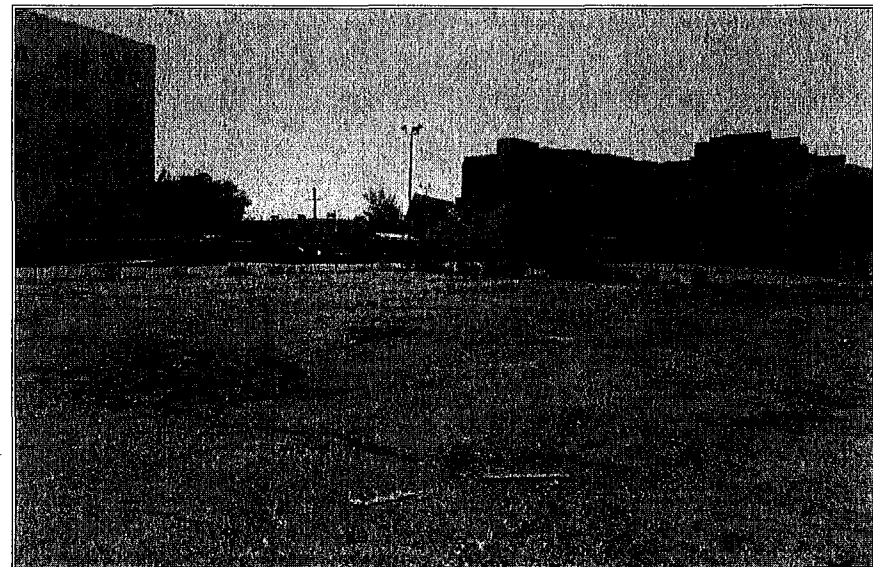
*Front of Subject; looking
northeasterly from Derby
Avenue*



*Front of Subject; looking
northwesterly from Derby
Avenue*



*Rear of Subject looking
southerwesterly from
adjacent parking lot*

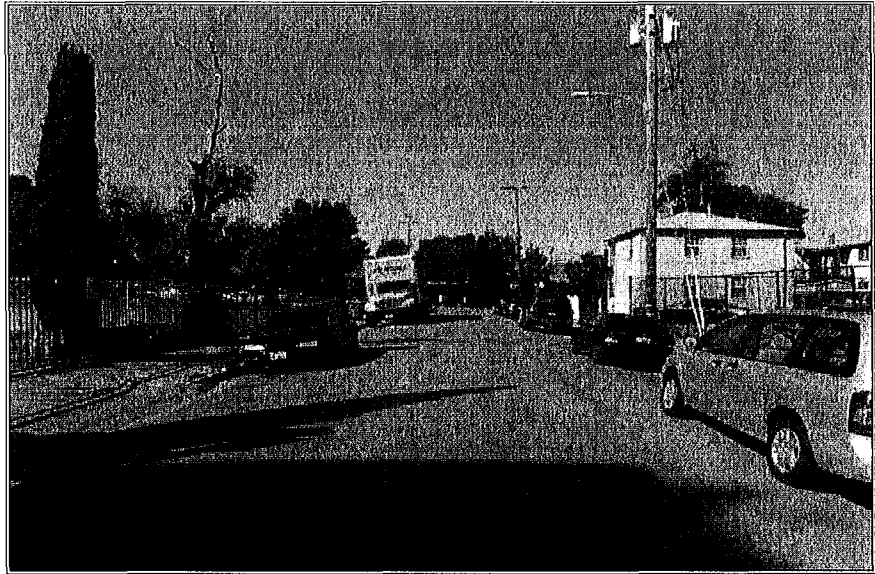


Attachment E: Derby Avenue Parcel Appraisal

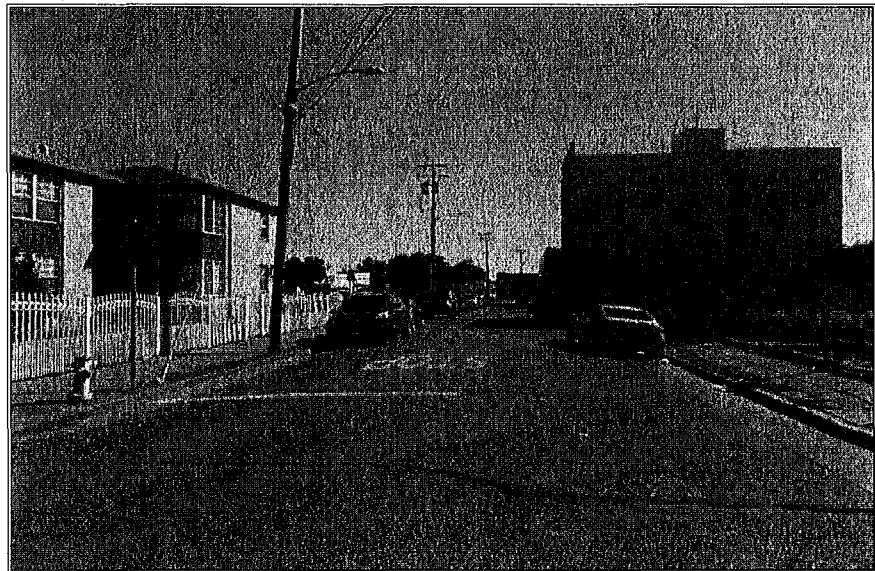
Subject Property

Derby Avenue, North of
International Boulevard,
Oakland, California

Derby Avenue looking
north



Derby Avenue looking
south



Site Overview



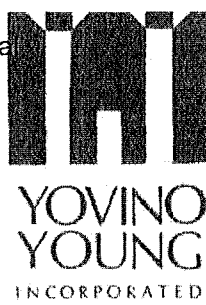


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 A. San Francisco Bay Region

 B. Alameda and Contra Costa Counties

 C. City of Oakland

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ADDENDA

- Exhibit A Legal Description
- Exhibit B Comparable Sales
- Exhibit C Professional Qualifications of the Appraisers



Reference No. 170249

Page 3.

1. SUMMARY OF IMPORTANT FACTS AND CONCLUSIONS

Subject Property: Derby Avenue, north of International Blvd, Oakland, Alameda County, California. The property consists of an unimproved non-corner parcel containing $\pm 9,000$ square feet (sf).

Zoning: RM-4; Mixed Housing Type Residential - Zone 4

General Plan: Mixed Housing Type Residential

Property History: The property has been not been listed for sale on the market for the past three years. On 10/6/15, the City of Oakland entered into a Exclusive Negotiating Agreement (ENA) with Pacific West Communities, LLC aimed at reaching agreement on price and terms for a sale of the property. Pacific West Communities is proposing development of a charter school facility on an assemblage of three parcels (inclusive of the subject property) totaling ± 0.89 acres.

Highest and Best Use: Redevelopment with a 2-3 story multi-unit residential complex with up to 8 units.

Marketing/Exposure Time: Six to nine months.

Special Conditions of Appraisal: None

Value Conclusion: \$450,000



**YOVINO
YOUNG**
INCORPORATED

Reference No. 170249

Page 4.

2. SCOPE OF APPRAISAL ASSIGNMENT

Client: James Golde,
 Manager, Real Estate Services
 Project Implementation
 City of Oakland
 250 Frank Ogawa Plaza, Suite 4313
 Oakland, CA 94612`

Intended User: City of Oakland

Purpose: Estimate market value of the subject property under its highest and best use.

Intended Use: Assist client in a decision regarding a possible disposition by sale of the property.

Rights Appraised Fee simple

Effective Date: May 1, 2017

Valuation Methodology: Replacement Cost; Not Applicable
 Sales Comparison; Applicable
 Income Capitalization; Not Applicable

Extent of Research & Analysis: Physical inspection and verification of land areas, identification and analysis of applicable land use controls (zoning), analysis of market conditions relevant to the subject property, investigation into relevant market sales of comparable vacant properties, qualitative analysis of sales data, leading to conclusions supporting an estimate of market value.

Report Type: Appraisal Report (USPAP 2.2)



YOVINO
YOUNG
INCORPORATED

3. IDENTIFICATION OF THE PROPERTY

The subject property is known as Derby Avenue, north of International Blvd, Oakland, Alameda County, California. The appraiser was provided with a deed dated 1/30/2012.

Legal Description(s):	See Exhibit A in addenda
Owner of Record:	City of Oakland
Flood Map Zone:	The property is located in Flood Zone X, "an area determined to be outside the 0.2% chance flood plain", on the Federal Emergency Management Agency, Flood Insurance Rate Map 06001C0088G, effective on 08/03/2009.
Seismic Zone:	The property is not within a Special Study Zone as designated by the Alquist-Priolo Act.

Taxes and Assessments 2016-2017

Parcel No.	025-0720-002-01
Address	Derby Avenue
Land	\$0.00
Improvements	\$0.00
Other	<u>0.00</u>
Subtotal	\$0.00
Exemptions	<u>0.00</u>
Total Assessment	\$0.00
Tax Rate	0%
Ad Valorem Taxes	\$0.00
Special Assessments	<u>\$0.00</u>
Total Taxes*	\$0.00

* Property owner is a public entity and is not subject to taxation.



4. LIMITING CONDITIONS AND ASSUMPTIONS

A. General

This appraisal investigation and analysis is communicated in an Appraisal Report, as defined and regulated under Standard Rule 2-2 of the Uniform Standards of Professional Appraisal Practice (USPAP), effective January 1, 2016. Extensive background data, reasoning and analyses developed in the appraisal process for this assignment are not necessarily included in this summary report. Supporting documentation is retained in the appraisal files of Yovino-Young, Incorporated.

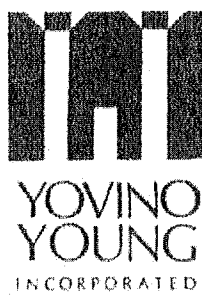
The information contained in this report is specific to the requirements of the named client and for the intended use stated in this report. The appraiser is not responsible for the unauthorized use of this reporting document by any third party unless prior consent is obtained.

The estimates of value and supporting conclusions presented in this appraisal represent our personal, unbiased and professional analysis of the valuation issues and objectives addressed in this assignment. These opinions and conclusions are subject to certain limiting conditions and assumptions as set forth in this section of the report.

Except as may be set forth as the specific purpose of this study, or, as special conditions stated elsewhere in this document, this appraisal is of an assumed marketable, fee simple interest to the property, free of debt obligations, liens, encumbrances, or any other restrictions affecting title, ownership or use of the property or properties in question. No representation is made or implied as to the actual conditions of title, ownership or encumbrances, or matters legal in nature.

Utility of the property is assumed to be restricted only by normal zoning, publicized governmental laws and governmental controls, and its use under responsible ownership and adequate management.

The appraiser does not survey the property. All statements describing parcel boundaries, dimensions, topography, utilities, and other descriptive physical information have been obtained from available official county maps and records or references as otherwise identified. The appraiser may recognize the need for and recommend the employment of other experts, but will not render an expert opinion which may require engineering expertise as to structural conditions, soil composition, site stability or geotechnical characteristics of the property.



Reference No. 170249

Page 7.

All statements of fact and data gathered from others for this appraisal are from sources deemed correct and reliable, and verified when possible to do so, but in no sense can they be guaranteed. Should disclosure subsequent to this appraisal indicate errors or omissions that may alter the conclusions and opinions expressed herein, the authors reserve the right to review the same and prepare an addendum setting forth the corrected facts and their effect, if any, on the original appraisal.

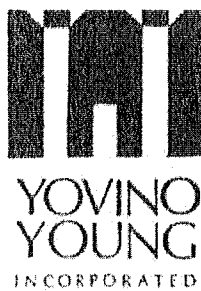
Under certain assumptions for special valuation problems, estimated values of limited interests and/or portions of a property need not, when combined, accurately state or coincide with the value of the property in its entirety.

B. As Is Condition

The property is appraised in its as is condition as of the date of valuation unless otherwise indicated elsewhere in this report, or specified under Special Conditions. It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures, which would render it more or less valuable.

C. Special Limitations: Only Properties With Public Access

The Americans with Disabilities Act (ADA) became effective January 26, 1992. The appraisers signing this appraisal document have not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the requirements of the ADA. The reader should be aware that if a compliance survey revealed non-compliance with one or more requirements of the Act, that a negative effect upon the value of the property might result. Unless otherwise stated in this document, we have no direct evidence relating to this issue and did not consider possible non-compliance with ADA in estimating the value of the property.



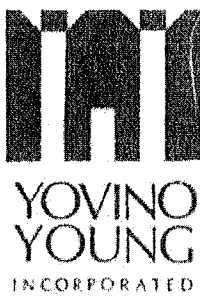
D. Special Limitations: Possible Impairment By Hazardous Contamination

Unless otherwise stated in this report, the existence of hazardous substances, including, without limitation, asbestos, polychlorinated biphenyls, petroleum products, urea formaldehyde, agricultural chemicals, or other adverse environmental conditions which may or may not be present on the property, were not identified to the appraiser, nor did the appraiser become aware of such conditions during the appraiser's inspection.

The appraiser has no knowledge of the existence of such materials on or in the property unless otherwise stated and is not qualified to test for such substances or conditions. The presence of such hazardous materials or environmental conditions might effect the value of the property. Therefore, the value estimate in this appraisal is predicated upon the assumption that there is no such adverse conditions on, in or under the property, or in such proximity thereto that it would cause a loss in value. No responsibility is assumed for any such conditions, nor for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in the field of environmental assessment on real estate, if subsequent investigation reveals their existence.

E. Reservation of Authorship Rights

All rights to this report are reserved, including the right to reproduce or to publish in whole or in part, it being understood that this report may be a portion of the services being rendered and the client may use the report incident to the specific purposes stated herein for the appraisal, without further conveyance to the public or unnamed third parties of the value conclusion, identity or the professional designations of the author unless prior written consent is obtained.



Reference No. 170249

Page 9.

F. Confidentiality Statement

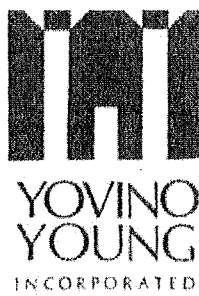
Appraisers who are signatories to this report and certification statement are dedicated to upholding the confidentiality of the appraiser-client relationship regarding the disclosure of personal, financial or other information provided the appraiser that has been identified by the client as confidential under the definitions provided in the Ethics Rule of the Uniform Standards of Professional Appraisal Practice, and/or identified in the Gramm-Leach-Bliley Act of 1999.

G. Limitations on Obligation to Perform Services

Submission of this appraisal constitutes full completion of the requested service and does not obligate the author to any subsequent consultation, services prerequisite to a legal action, or testimony in a deposition or trial, unless specific arrangements are made prior to the rendering of such services.

H. Special Conditions

None.



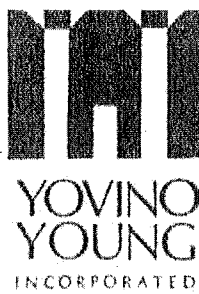
5. DEFINITION OF MARKET VALUE

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 and 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:

1. buyer and seller are typically motivated;
2. both parties are well informed or well advised and each acting in what he or she considers his or her own best interest;
3. a reasonable time is allowed for exposure in the open market;
4. payment is made in terms of cash in U.S. dollars or in terms of financial arrangements compared thereto;
5. 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.

Source: (12 F.C.R. Part 34.42(g) 55 Federal Register 34696. August 24, 1990, as amended 57 Federal Register, April 9, 1992, Federal Register 39499, June 7, 1994. This source for the above definition is cited in the Dictionary of Real Estate Appraisal, Fifth Edition, The Appraisal Institute, page 123.



6. DESCRIPTIVE DATA

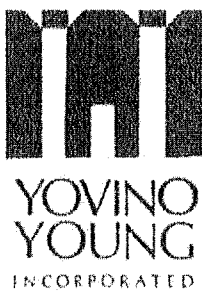
A. San Francisco Bay Region

The San Francisco Bay region consists of nine counties which surround San Francisco and San Pablo Bays. Its highly diversified physical features and mild climate allow for a wide range of industry and lifestyles and contribute to a desirable living environment. Economically, the region is similarly varied, although there has been a marked shift from manufacturing to service industries, principally high-tech related, over the last few decades. This diverse economic base has proved itself relatively resilient during recessionary periods, most recently experienced in 2008-2010, though the recovery was slower in areas of the region outside where of high-tech related industries are concentrated. Governmental regulation of land use is enacted at the municipal and county levels, although there is a well-established research and advisory body, the Association of Bay Area Governments (ABAG), which has been in existence since 1961. The population of the region as of 1995 was over 6,400,000, and having grown at a compounded annual rate of $\pm 1.4\%$ since 1980. The current population of the region (as of 2015) is 7,654,870, reflecting a lower compounded rate of growth over the last fifteen years of $\pm .81\%$.

The U.S. Census Bureau estimates the population of the nine-county Bay Area as of the end of 2013 as follows:

Nine county San Francisco Bay Area

County ◆	2015 Estimate ◆	2010 Census ◆	Change ◆
Santa Clara County	1,918,044	1,781,642	+7.66%
Alameda County	1,638,215	1,510,271	+8.47%
Contra Costa County	1,126,745	1,049,025	+7.41%
San Francisco	864,816	805,235	+7.40%
San Mateo County	765,135	718,451	+6.50%
Sonoma County	502,146	483,878	+3.78%
Solano County	436,092	413,344	+5.50%
Marin County	261,221	252,409	+3.49%
Napa County	142,456	136,484	+4.38%
Total	7,654,870	7,150,739	+7.05%

**B. Alameda and Contra Costa Counties**

The immediate sub-regional context for the subject property is the East Bay which includes Alameda and Contra Costa Counties, although the location of the property is within the daily commute sphere of San Francisco, the central economic locus of the Bay region. The East Bay counties encompass intensively developed inner urban areas immediately adjoining San Francisco Bay, and bordered on the east by low-lying hills paralleling the shoreline from Richmond to Fremont. Outlying suburban areas consist largely of residential communities, although there are several service oriented employment centers along the Hwy. I-680 corridor. The East Bay is developed with an extensive freeway network, rail services, Oakland International Airport, and is served by the Bay Area Rapid Transit District (BART) and regional bus services. As well as the University of California campus at Berkeley, there are several other colleges and universities in the East Bay and numerous cultural recreational resources. The total population of these two counties as of 2015, was $\pm 2,764,960$ with Alameda County accounting for $\pm 1,638,215$, with its largest city, Oakland, also the county seat.

C. City of Oakland

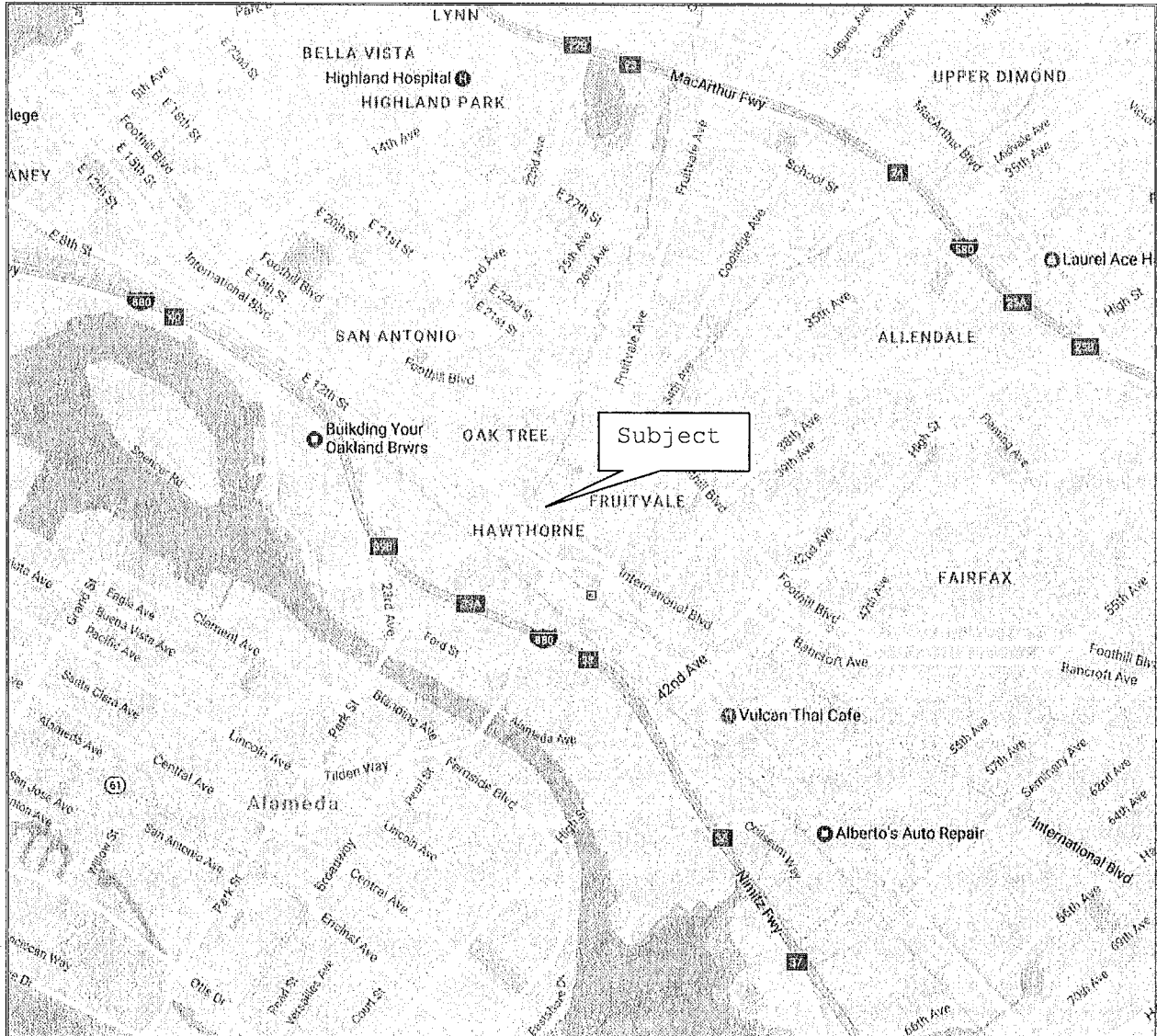
The City of Oakland is a large, economically diverse, and demographically complex community, which encompasses approximately 78 square miles rising from the east shore of San Francisco Bay to the crest of the East Bay hills. The city has 19 miles of bay front coastline. Oakland is the largest and most established of the East Bay cities, and has a current estimated population of over 400,000 people, (based on 2010 Census). It is the third largest city in the Bay Area, and the eighth largest city in the state, comprising about 27% of residents of Alameda County. Due to an economically diverse population, median household income for Oakland is in the lower 50% of East Bay communities at $\pm \$51,700$. The city benefits from immediate access to rail, air, sea, freeway and bus service to all major employment and residential centers of the vibrant Bay Area economy.

Historically, Oakland supported a large manufacturing base, which grew out of the industrial development period during and after WWII. Much of this industrial infrastructure is now obsolete, and is slowly being converted to more intensive uses, including industrial R&D, as well as office, residential and retail. Services now represent the predominant employment sector category in Oakland; seven of the top 10 employers in the City are government agencies, school districts, medical centers, or utility companies. The

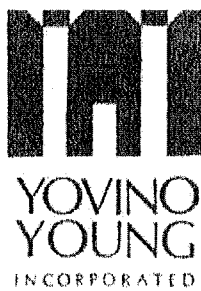


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others include airlines operating out of Oakland International Airport. Oakland has a labor force of ±180,000, of which ±60,000 workers are based in the central business district.



A steady influx of immigrants during the 20th century, along with thousands of African-American war-industry workers who relocated from the Deep South during the 1940s for the rapidly expanding wartime industrial employment, have made Oakland one of the most ethnically diverse major cities in the country. Oakland is known for its history of political activism, as well as its professional sports franchises and major corporations, which include health care, tech companies, and manufacturers of household products. The



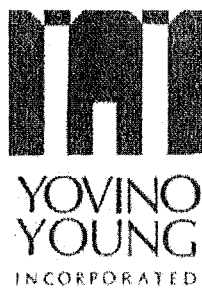
city is a transportation hub for the greater Bay Area, and its shipping port is the fifth busiest in the United States.

Oakland has a Mediterranean climate with an average of 260 sunny days per year. Lake Merritt, a large estuary centrally located east of Downtown, was designated the United States' first official wildlife refuge. Jack London Square, named for the author and former resident, is a tourist destination on the Oakland waterfront. Oakland is continually listed among the top cities in the United States for sustainability practices, including a No. 1 ranking for usage of electricity from renewable resources.

In recent years, Oakland has gained national recognition as a travel destination. In 2012, Oakland was named the top North American city to visit, highlighting its growing number of sophisticated restaurants and bars, top music venues, and increasing nightlife appeal. Oakland also took the No. 16 spot in "America's Coolest Cities," ranked by metrics like entertainment options and recreational opportunities per capita.

According to the City's 2010 Comprehensive Annual Financial Report, the top employers in the city are:

No.	Employer	# of Employees
1	Alameda County	10,374
2	Wells Fargo Bank	5,862
3	Oakland Unified School District	5,704
4	City of Oakland	4,478
5	Cost Plus World Market	4,125
6	Kaiser Foundation Hospitals	3,105
7	Peralta Community College District	2,759
8	Safeway	2,692
9	Internal Revenue Service	2,500
10	Albertsons	2,209

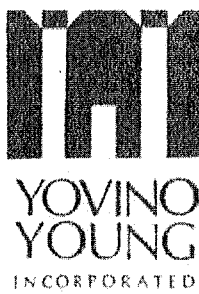


Economic Base, Employment and Income

The following table summarizes certain salient demographic indicators for the City, Region, State and Nation. (Source: ABAG, Census Bureau, Bureau of Labor Statistics).

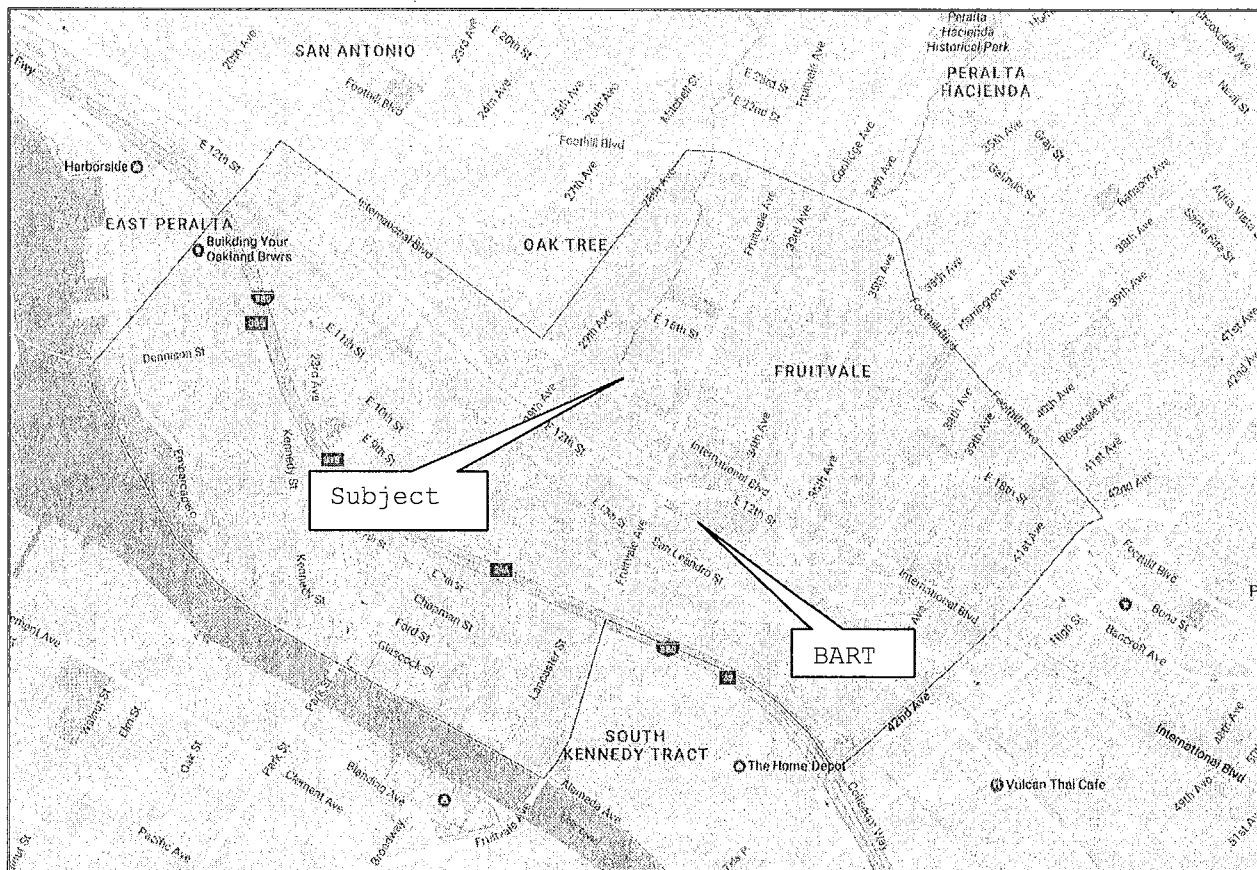
Sites	City of Oakland	Alameda County	SF Bay Area	California
Median Age	36.2	37.4	38.6	35.7
Median Household Income	\$49,721	\$74,221	\$75,989	\$60,883
Average Family Income	\$56,926	\$92,746	\$90,220	\$69,332
Average Household Size	2.49	3.30	2.69	2.9
Unemployment Rate	5.5%	4.5%	3.4%	6.3%
Median Home Value	\$528,600	\$553,657	\$720,500	\$393,000
Population Age 25+: Bachelor's Degree (%)	20.60%	24.69%	25.62%	19.56%

The unemployment rate in Oakland, CA, was 7.8% in March of 2015, which is a dramatic decrease since 3rd quarter 2012, when it was over 16%. As of April June 2016, the job growth had resulted in a further decrease to 5.5% for Oakland. Future job growth over the next ten years is predicted to be 18.46% (per decade), or 1.85% annually.

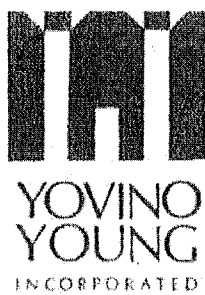


D. Subject Location

The subject property is located in East Oakland in an area commonly known as the San Antonio/Fruitvale area. The San Antonio Fruitvale neighborhood extends westerly from the 580 freeway to the Embarcadero, and southerly from 19th Avenue to High Street and in some places, 54th Avenue. The district is generally oriented along International Boulevard, and centered on its intersection with Fruitvale Avenue. The other main focus of the district is the local BART station at East 12th Street and 35th Avenue, four blocks southwest of the subject.



A recent independent study places the Fruitvale population count at 48,063, which is higher than the 2004 Census trend projection of 47,449. By Census figures, Fruitvale's population increased by 15% between 1990 and 2000, more than twice that of the City of Oakland, which only increased by 7%. Fruitvale is the most densely populated neighborhood in the city, comprising about 4.5% of Oakland's total land area but housing 12% of Oakland's total population.



The International Boulevard commercial corridor within the Fruitvale district is extremely vibrant and has steadily grown in size and intensity over the last two decades. There is minimal vacancy in storefronts between 29th Avenue and 42nd Avenue along this strip, which features a wide variety of locally owned businesses including restaurants, auto service, general retailers, markets, and banks. The office sector is somewhat minimal along International Boulevard. The type and size of businesses observable in this district conform to a model of economic development prevalent among largely immigrant communities (in this case Latino), where small business is seen as an opportunity for improvement in economic status.

There has also been a significant degree of "smart growth" type development in the district in the form of a large multi-use project centered on the BART station, known as Fruitvale Village, the principal features thereof are:

A 257,000 square foot "transit village" built on former BART parking lots.

An active, retail-lined connector between the BART station and the neighborhood's primary retail artery. This pedestrian street and plaza also serve as a major community-gathering place.

Forty-seven units of mixed-income housing.

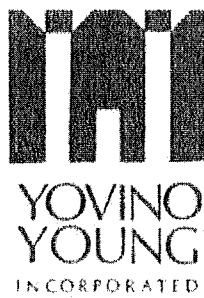
114,000 square feet of community services (clinic, library, senior center) and office space (including the Unity Council's headquarters).

40,000 square feet of neighborhood retail (shops and restaurants).

150 car parking garage within the buildings (plus a large parking structure for BART).

Fruitvale Village has been relatively successful in leasing up the offices, principally to community service organizations and clinics. The retail plaza, which is a direct path between the BART station and International Boulevard has had success in attracting tenants. Of the 60,000 SF leasable area, there are only two retail spaces available for lease. A small, 892 SF space is available for \$2.30/SF, NNN. A 1,547 SF space is available for \$2.15/SF, NNN. Both of these spaces have CAMS estimated to be \$0.82/SF per month.

Within a 3/4 mile to the northwest is a community shopping center with Oakland's largest grocery store, and other retailers. This center is leased primarily to national tenants, and complements the largely local small business environment which is characteristic of most of the Fruitvale



Reference No. 170249

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District. As shown in the accompanying overview and map, there is convenient access to Hwy I-880 via 29th Avenue or High Street.

The subject is located on the western periphery of the main commercial node, just northerly of International Boulevard and four blocks from the Fruitvale Village Transit complex and BART. The subject vicinity includes mostly residential uses as one moves further north from International Boulevard.

The subject block of Derby Avenue has historically been developed with commercial uses, but is now in transition. At the end of the block where Derby Avenue terminates at East 15th Street, there is a nursing home, but otherwise land use is exclusively residential.

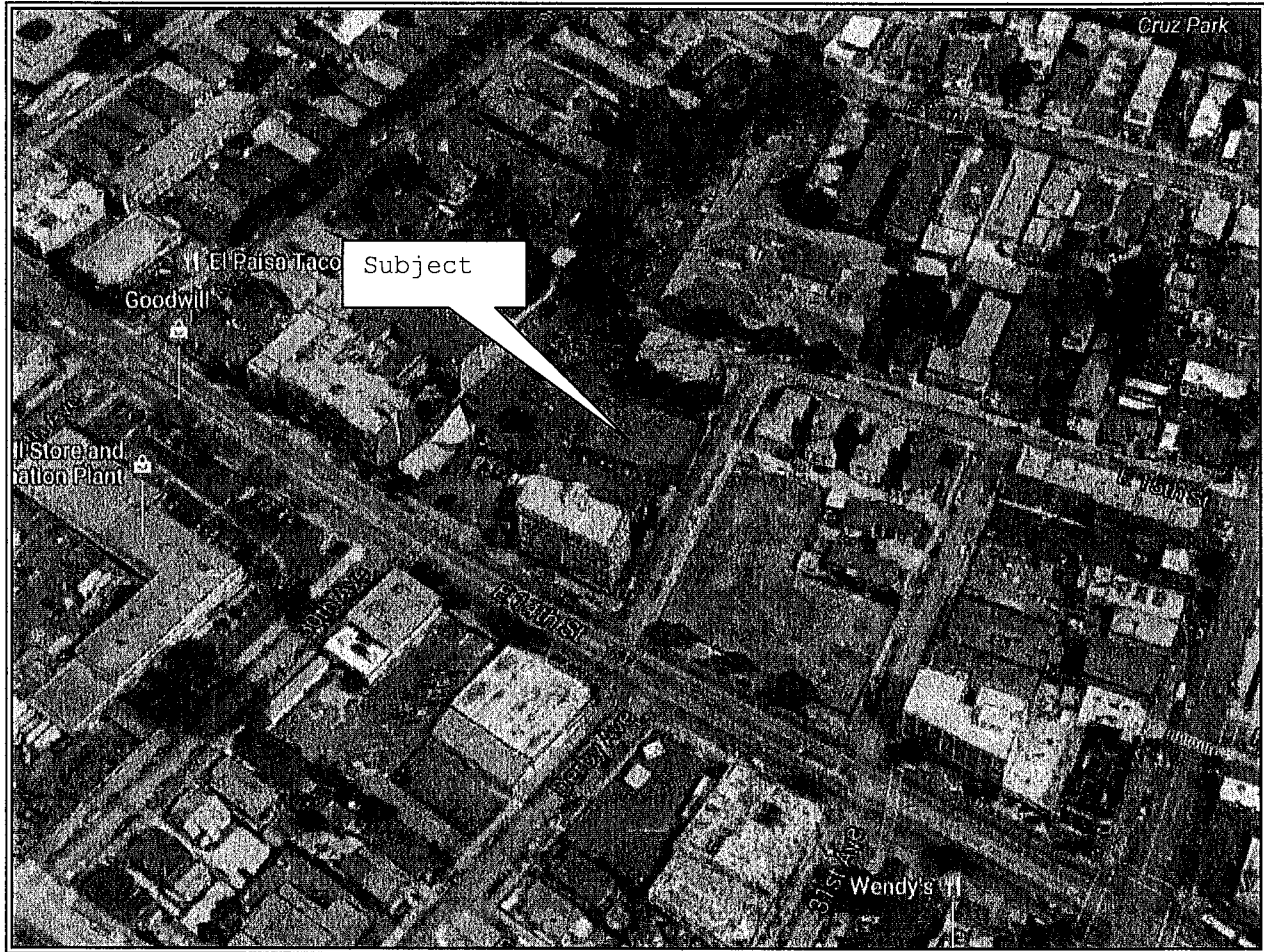
The subject is adjacent on three sides to vacant parcels or paved parking lots. These properties are tentatively slated to be redeveloped as a charter school facility, and applications for planning approval are in the initial stages. This initiative includes the current ENA between the City of Oakland and Pacific West Communities LLC aimed at negotiating the purchase of the subject by Pacific West Communities for inclusion into the proposed project.

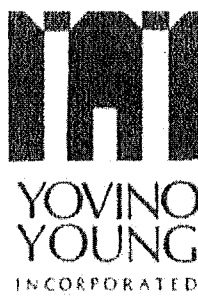
Across Derby Avenue from the subject is large vacant site of former auto dealership which was acquired by the Oakland Redevelopment Agency some years ago. It was recently proposed for a single story retail development, but that project initiative has been withdrawn.

In conclusion, the subject is located in an intensively developed area with a strong entrepreneurial setting featuring many local businesses. Demand for retail and affordable office space is strong, as well as for housing units for both tenants and users.



Looking Northerly over Subject Neighborhood

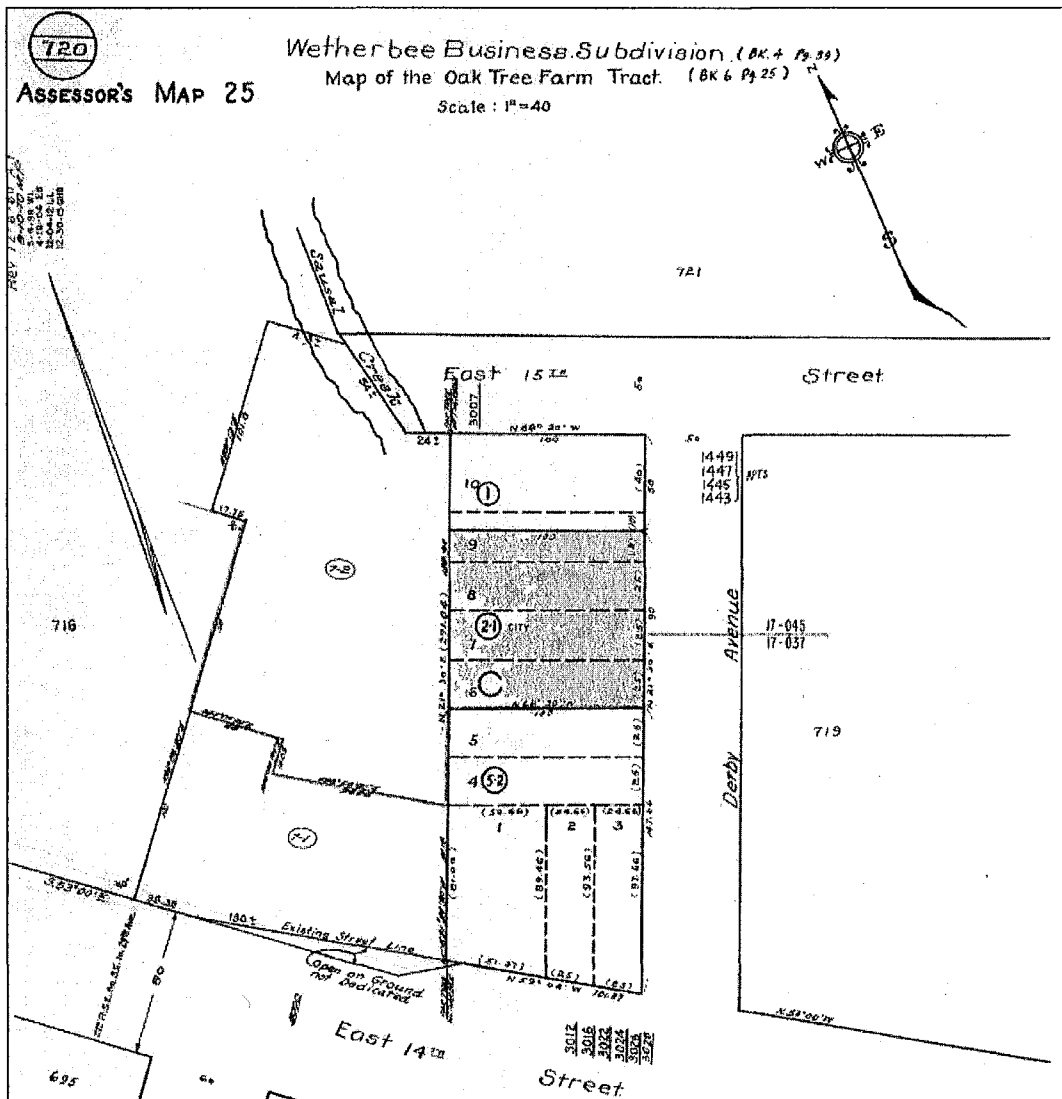




E. Site Description and Zoning

The property is located on the westerly side of Derby Avenue, fronting on this street for ±90 feet, beginning about 50 feet southerly of East 15th Street. It is rectangular in shape, has depth of ±100 feet, and contains ±9,000 \square . The street frontages are fully improved with sidewalks, curbs, gutters, storm drains, and street lighting. We noted no adverse easements or encroachments, nor any evidence of hazardous contamination during inspection of the property. The topography is level. Access is off a driveway from Derby Avenue.

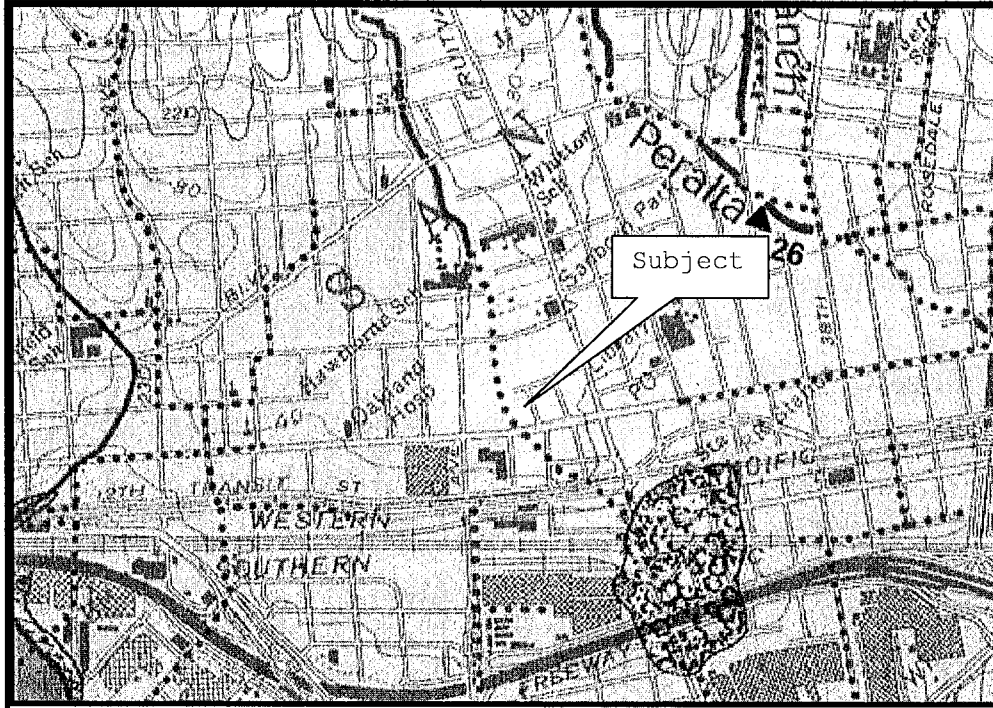
The site area is illustrated by the parcel map below.





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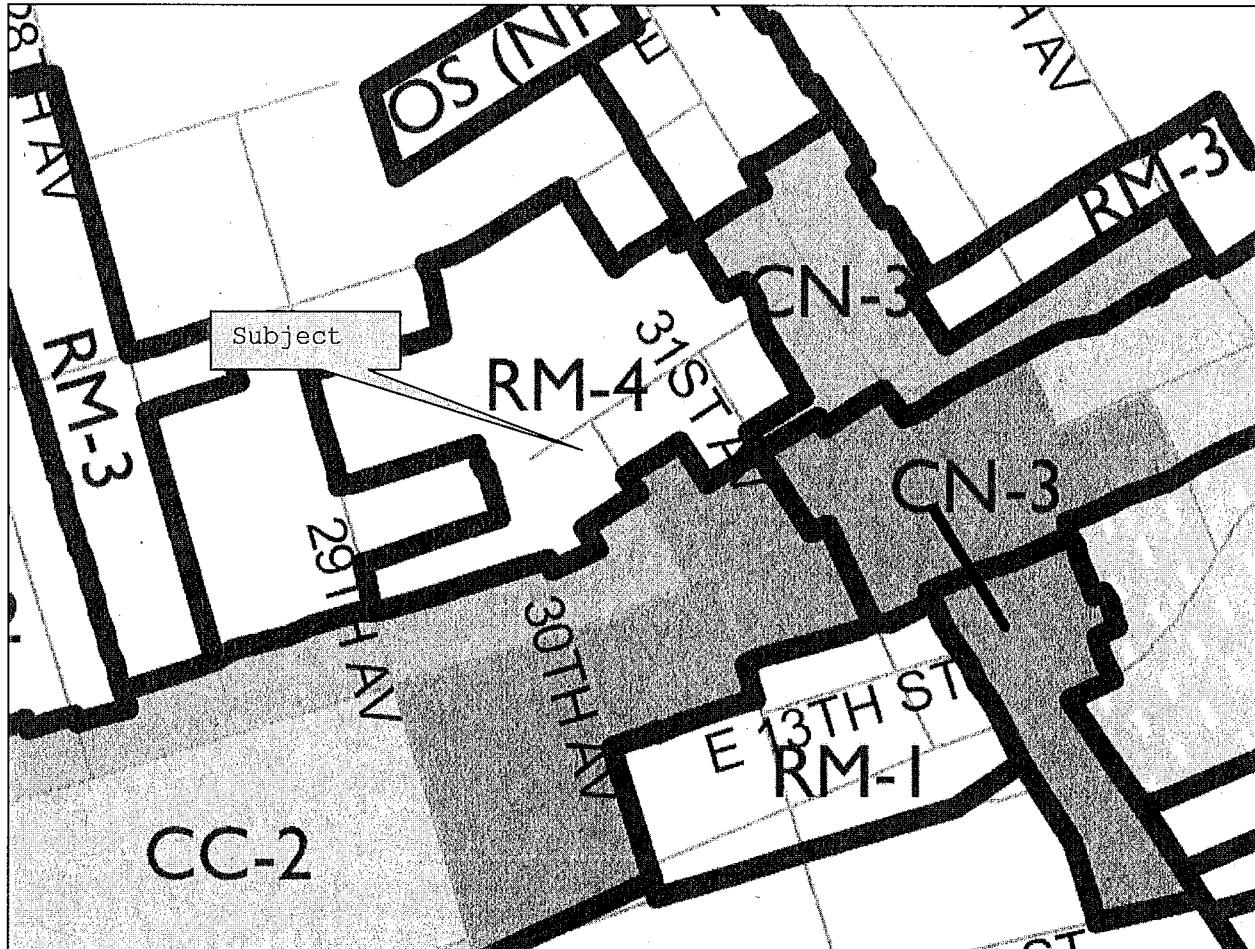
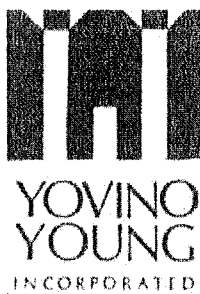
We are informed that Sausal Creek is culverted under the property located adjacent to the west. The map below illustrates its alignment.



The property is zoned RM-4 Residential Mixed Housing Type 4 Zone. The intent of the RM-4 Zone is to create, maintain, and enhance residential areas typically located on or near the City's major arterials and characterized by a mix of single family homes, townhouses, small multi-unit buildings at somewhat higher densities than RM-3, and neighborhood businesses where appropriate. The subject's General Plan Designation is Mixed Housing Residential.

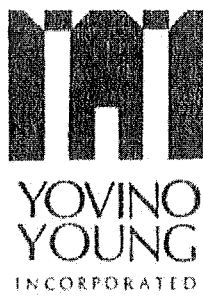
Permitted uses under the RM-4 ordinance are largely limited to civic and residential uses. Commercial uses are limited to properties where such uses were established prior to 2011.

Development standards specify a minimum lot size of 4,000 \square and minimum frontage of 25 feet.



Maximum residential density for the subject is one unit per 1,100 \square of site area, or 8 units. Site setbacks are 15 feet front and rear and 4 feet on each side. Maximum height is 35 feet (3 stories). Under these conditions, we estimate that the property could be developed with up to eight residential units.

We are not aware of any information suggesting the site is subject to hazardous contamination. We were not provided with any environment site assessment. The California Department of Toxic Substances Control (DTSC) website does not flag any past or present conditions. Sausal Creek is culverted under this block flowing south to the Estuary



F. Improvements

The property is unimproved except for chain link fencing along the periphery. A tentative site plan for the proposed charter school is included here for reference.

G. Occupancy and Use

The property is currently not occupied.

H. Property History

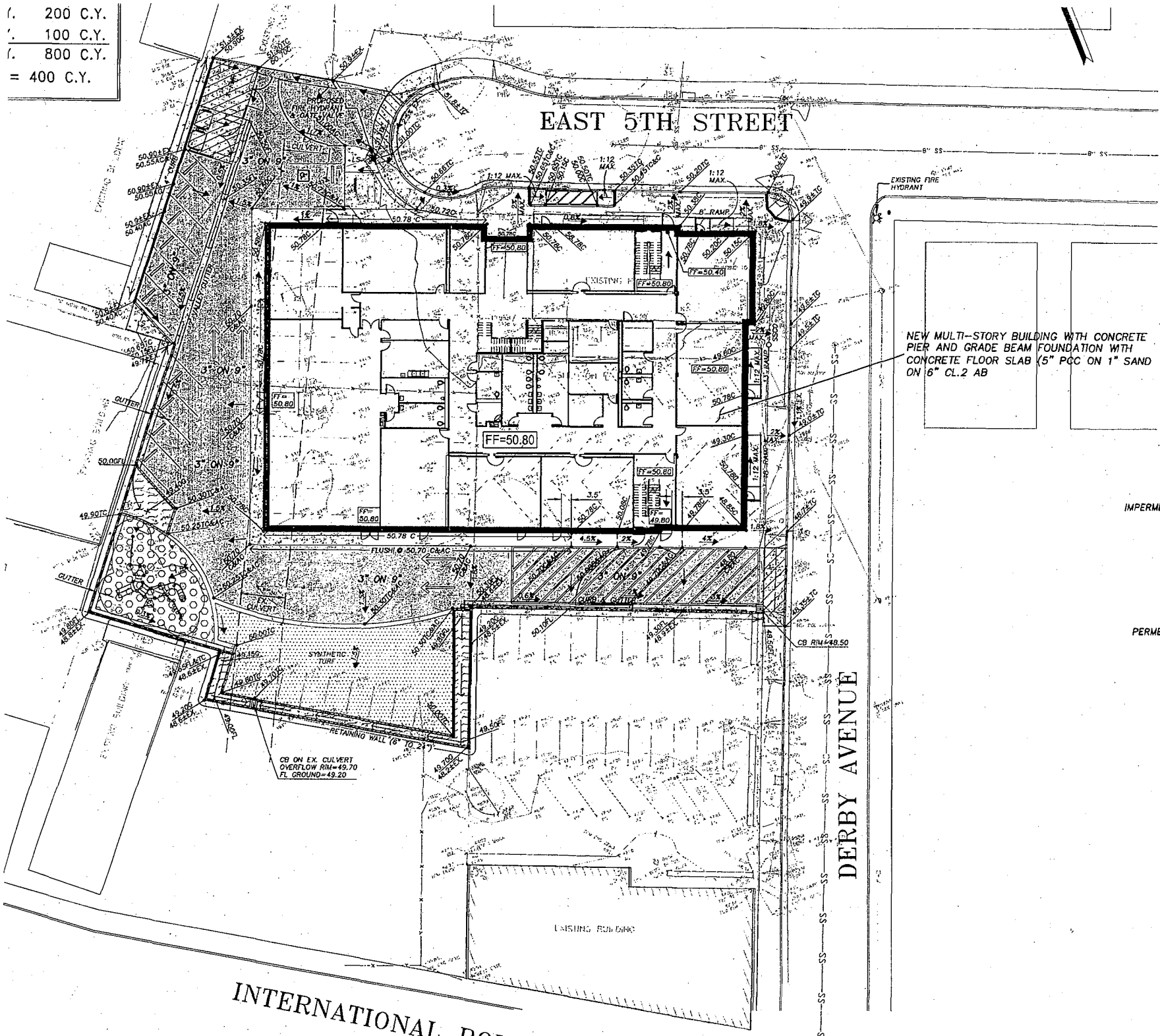
In late December of 2015, Pacific West Communities purchased two parcels on the subject block (encompassing ±0.89 acres) that had been listed together at a price of \$3,500,000. The property had been listed previously in 2013 for \$3,000,000. The corner parcel at Derby Avenue and International Boulevard is improved with a six-story concrete medical office building with gross building area of ±27,252 sf. This structure is categorized as a City of Oakland landmark, and is protected as a historic resource. Therefore, it cannot be demolished to make way for new development. On the improved parcel there are 32 parking spaces at the rear of the building at ratio of ±1.1 per 1,000 sf of floor area.

This sale was financed by a note by the seller of \$1,000,000, allocated (and recorded as the sale price) of the improved parcel. The recorded price of the unimproved parcel (parking lot) to the rear was \$2,950,000, for a total combined sale price of \$3,950,000. This equates to a land price index of ±\$102/sf inclusive of both parcels and the office building footprint.

In September of 2016, Pacific West Communities Inc, negotiating the purchase of a ±5,000 sf corner parcel adjacent to the subject on the north which is also adjacent to rear parcel acquired in the transaction referred to above. The property was improved at the time with a five-unit residential building, and the buyer's agent stated that the price paid was based on the property's improved value, even though they intended to demolish the structure (as has since happened), since their intent was to assemble the larger site for the charter school project. The price paid for this site was recorded at \$1,000,100, or ±\$200/sf, which is higher than typical for vacant sites under RM-4 zoning in this location.

1. 200 C.Y.
 2. 100 C.Y.
 3. 800 C.Y.
 = 400 C.Y.

3. IN THE EVENT THAT ANY UNDISCOVERED STRUCTURES OR UTILITY LINES ARE DISCOVERED, CONTRACTOR SHALL NOTIFY THE OWNER'S REPRESENTATIVE TO DETERMINE THE DISPOSITION OF THE STRUCTURE.
 4. CONTRACTOR SHALL IMPORT REQUIRED MATERIAL EXCESS AS REQUIRED TO ESTABLISH PLAN CONDITIONS IF ANY SHALL BE DISPOSED OFF-SITE IN A MANNER AT CONTRACTOR'S EXPENSE.
 5. EXISTING WATER, STORM AND SANITARY LINES SHALL BE LOCATED AND VERIFIED PRIOR TO ANY NEW CONSTRUCTION.

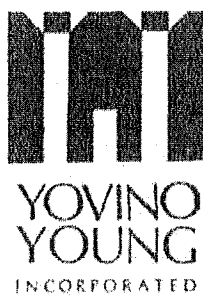


NEW MULTI-STORY BUILDING WITH CONCRETE PIER AND GRADE BEAM FOUNDATION WITH CONCRETE FLOOR SLAB (5" PCC ON 1" SAND ON 6" CL.2 AB

GRADING & PAV

- | | | |
|-------------|-----------------------|---------------------------------------|
| IMPERMEABLE | | NEW CONCRETE 8" PCC ON 8" |
| | | NEW CONCRETE 4" PCC ON 4" |
| | | NEW AC PAVEN. 3" AC ON 9" C |
| PERMEABLE | | SYNTHETIC TURF SEE ARCHITECT |
| | | SAFETY SURFA 3" RUBBER ON |
| | | BIO RETENTION 18" BIO-FILTRATION BASE |
| | | LANDSCAPE 12" PLANTING |
| | | LIMIT OF GRADE |
| | SAW CUT LINE | |
| | DRAINAGE FLOW | |
| | GRADE BREAK | |
| | RIDGE LINE | |
| | NEW FENCE LIN | |
| | NEW HANDRAIL | |
| | NEW RETAINING | |
| | FINISH GRADE 1 | |
| | ASPHALT CONC | |
| | AREA DRAIN | |
| | PORTLAND CEM | |
| | CATCH BASIN | |
| | CLEAN OUT TO EXIST. | |
| | EXISTING FINISH FLOOR | |
| | FIRE HYDRANT | |
| | FLOW LINE | |
| | GROUND | |
| | GRADE BREAK | |
| | JUNCTION BOX | |
| | STORM DRAIN 1 | |
| | SANITARY SEW | |
| | TOP OF CURB | |
| | TOP OF WALL | |

INTERNATIONAL BO...



Reference No. 170249

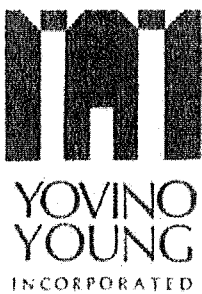
Page 24.

The prices paid in this series of transactions reflect the motivations of the developer/buyers to assemble a project site of the necessary size and configuration to facilitate achievement of their specific goals. Thus, their willingness to purchase the office structure which historically protected and of limited utility, as well as the rear improved parcel at an apparently above market price for land. The developer's ENA with the City of Oakland is a part of the overall strategy.

However, the premise of this appraisal is ascertain the market value of the subject without reference to a specific user, or assemblage value dependent on the outcome of this prospective buyer's development initiative. The subject is therefore viewed as a stand alone property for which market value would presume typical buyers and sellers in this market.

Nevertheless, the property is subject to a prospective acquisition by a buyer seeking to develop a larger assembled site for a proposed new charter school.

This is a permitted use under the RM-4 zoning, and this project does represent an alternative use for the property. The prospective buyer has already demonstrated sufficient motivation to pay price premiums to create the necessary assemblage, and the subject property is an essential component of the overall plan. Therefore, this particular buyer might be willing to pay a higher price for the property than the market would dictate absent the apparent plottage value created by the assemblage.



7. HIGHEST AND BEST USE

In standard appraisal methodology, highest and best use is usually defined as:

"The use, from among the reasonably probable and legal alternative uses, found to be physically possible, appropriately supported, financially feasible and that results in the highest present land value."

In this assignment, the property is only considered "as vacant". It has a size and configuration suitable for development with any legally permissible use under the existing RM-4 zoning ordinance. In this case, the most intensive use would be development of a multi-unit complex with maximum of 8 units.

As noted above, the proposed development of the subject property within an assemblage with two other adjacent parcels could theoretically result in higher than market price paid for its acquisition. However, this appraisal does not premise the value of the property on this proposed use.



8. MARKET CONDITIONS

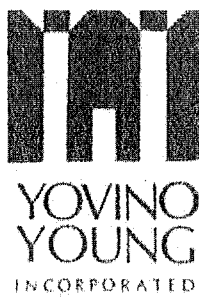
The local market for vacant residential land suitable for development with multi-unit residential complexes is currently very strong, due to the perceived opportunities for profit from a chronic under-supply of housing. These conditions, coupled with the strong job market and economic performance in the region has led to an imbalance in supply and demand, since there are few easily available opportunities to develop new residential units except for infill sites like the subject properties.

It is not clear at this time when the market cycle will peak, or if it will continue in its growth phase for one or two more years. Hence, it is not unusual for developers to seek opportunities with even great urgency in order to complete the development cycle before there is another broad economic downturn, or a change in the market cycle.

Rental rates for apartments have continued to escalate, The average apartment rent over the prior year in Oakland has increased by almost 10%. Under these conditions, the prospect of successful development of new units remains strong.



Source: Rent Jungle



9. SALES COMPARISON APPROACH - LAND

The subject exists in a competitive market context of well-located development sites suitable for multi-unit residential development.

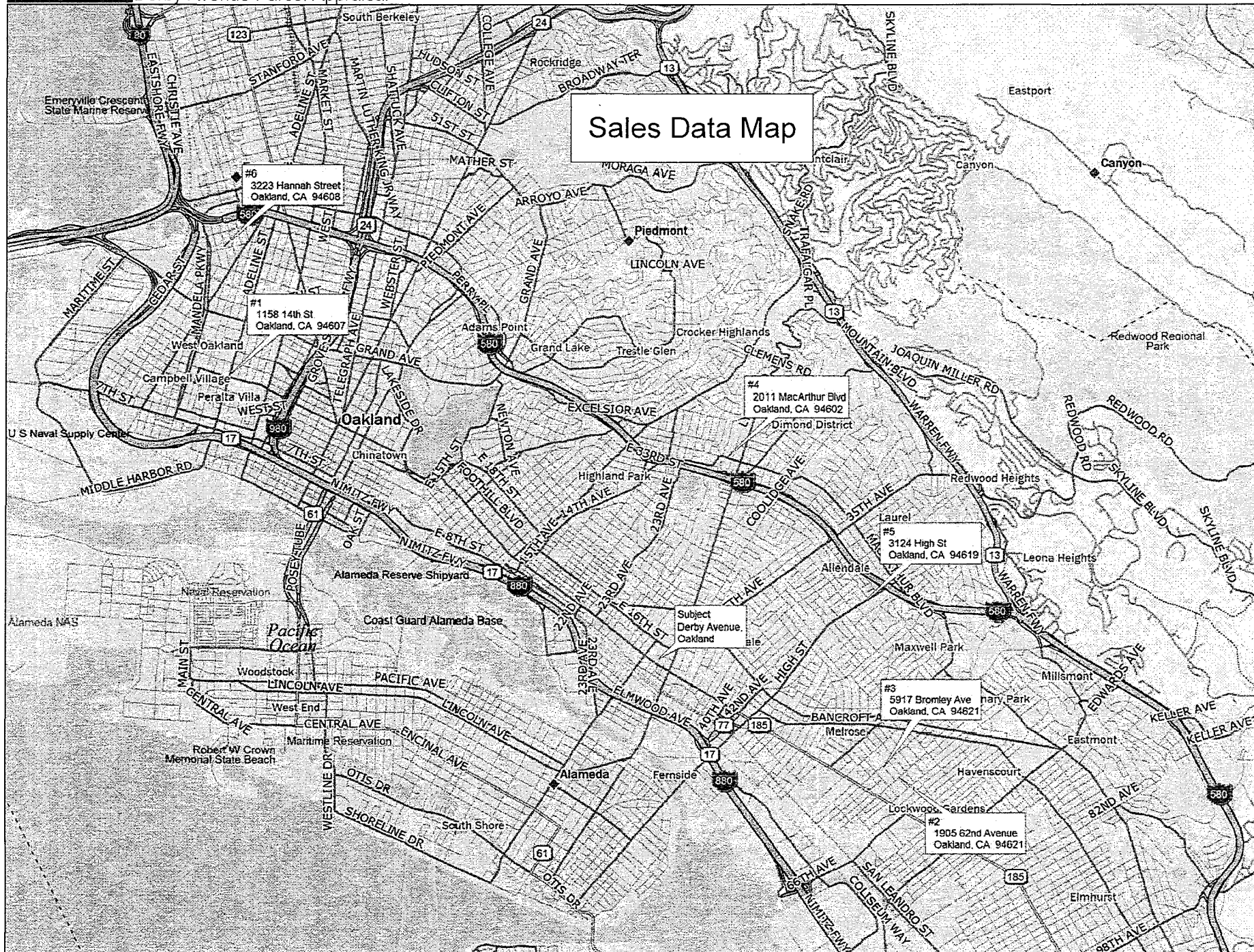
The accompanying table provides a summary of the market transactions deemed instructive in this valuation. The primary indices extracted from the data is price per square foot of land (\$/□-Site), and price per living unit (\$/Unit). However, given the heterogeneous nature of available and recent market transactions involving vacant residential sites, the price per square foot index (\$/□) was found to be the most reliable and instructive. We have also included a price per developable unit (\$/Unit) analysis which supports our conclusions, since the price per unit is inversely related to the projected housing density (Units per Acre) of the comparables.

Data sources include Costar, MetroScan, the Loopnet, local brokers and developers and the East Bay Regional MLS.



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Market Data Summary						
Property Address APN	Sale Price Sale Date	Status Doc.No.	SF \$/SF	Buyer Seller	Zoning Shape	
1 1158 14th St, Oakland	\$785,000	Sold	12,968	Phua Lee Family Living Trust	RM-4/S-20	
005-0378-028,029,030,031,032,033	4/29/2016	109251	\$60.53	Arrece Jameson	Rectangular	
<i>Property includes six parcels and was previously entitled for development with six large townhouses. Per listing agent, buyer considered development with up to 11 residential units per zoning regs, but will probably opt to develop 6 townhomes.</i>						
2 1905 62nd Avenue, Oakland	\$108,000	Sold	4,310	Mengsteab H Teweldebirhan	RM-2	
038-3214-025	10/7/2016	264786	\$25.06	Saint Andrew	Rectangular	
<i>Non-corner parcel suitable for development of single residence.</i>						
3 5917 Bromley Ave, Oakland	\$524,000	Sold	17,990	Bradley Miller	RM-4	
015-1350-038	9/2/2016	224060	\$29.13	Comm 1st Dev Fund	Rectangular	
<i>Rectangular non-corner site located in residential neighborhood. Vacant site previously developed with apartments.</i>						
4 2011 MacArthur Blvd, Oakland	\$600,000	Sold	13,550	Great Day Development	RM-3; Mixed Residential and CN-1	
026-0835-001	7/19/2016	180325	\$44.28	Community First USA	Irregular	
<i>Long irregular sloping & level parcel along day-lighted Sausal Creek. Rear portion could be developed with residential units. Retail store at street frontage in poor condition, and are zoned CN-1 for denser multi-story residential with ground floor retail</i>						
5 3124 High St, Oakland	\$650,000	Pending	22,780	n/a	RM-4	
032-2032-163	7/1/2017	n/a	\$28.53	Chujun Liao	Rectangular	
<i>Rectangular non-corner, level site in residential neighborhood. Sale scheduled to close on 7/1/17 at asking price. Remaining contingency is Phase 1 ESA.</i>						
6 3223 Hannah Street, Oakland	\$425,000	Sold	9,975	Between the Tides LLC	RM-2	
007-0597-018,019,020	8/7/2015	217270	\$42.61	Mark E Bulwinkle	Rectangular	
<i>Purchase of three adjacent parcels forming 9,975 sf site. Location is in "Dogtown" area, a gentrifying neighborhood adjacent to Emeryville north of West Oakland</i>						
Sub Derby Avenue, north of International Blvd, Oakland	n/a	n/a	9,000	City of Oakland	RM-4	
025-0720-002-01	5/1/2017	n/a			Rectangular	

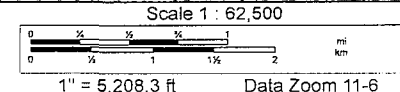
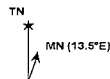


Sales Data Map

Data use subject to license.

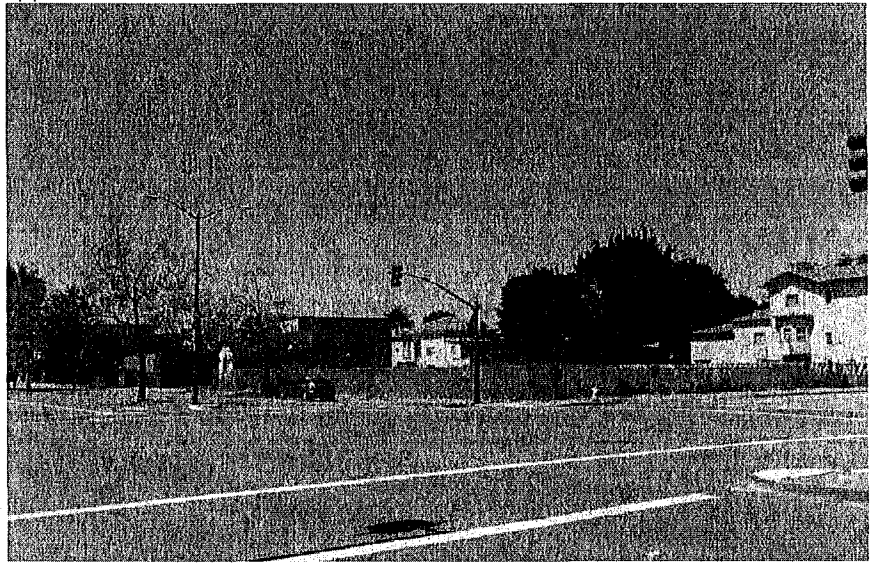
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www.delorme.com



Subject Property
Derby Avenue Parcel Appraisal
Attachment E
International Boulevard,
Oakland, California

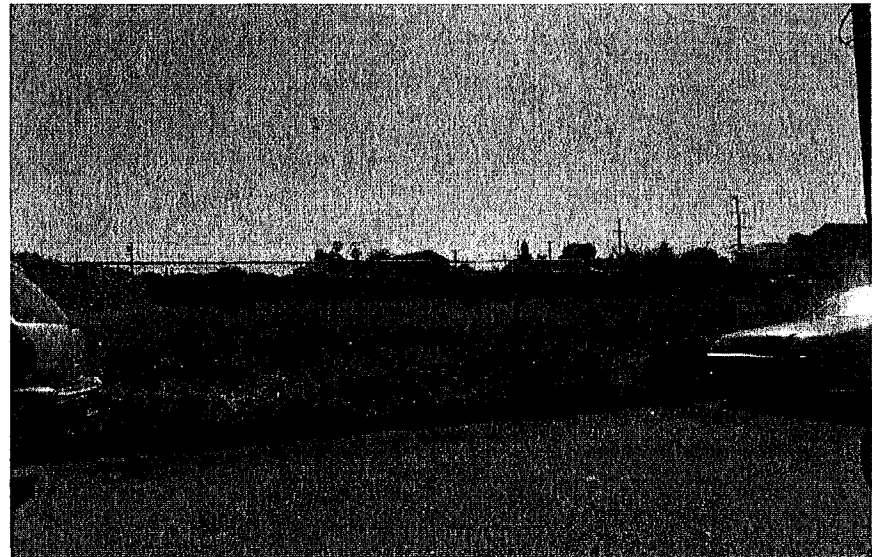
Sale One
1158 14th St, Oakland



Sale Two
1905 62nd Avenue, Oakland



Sale Three
5917 Bromley Ave, Oakland



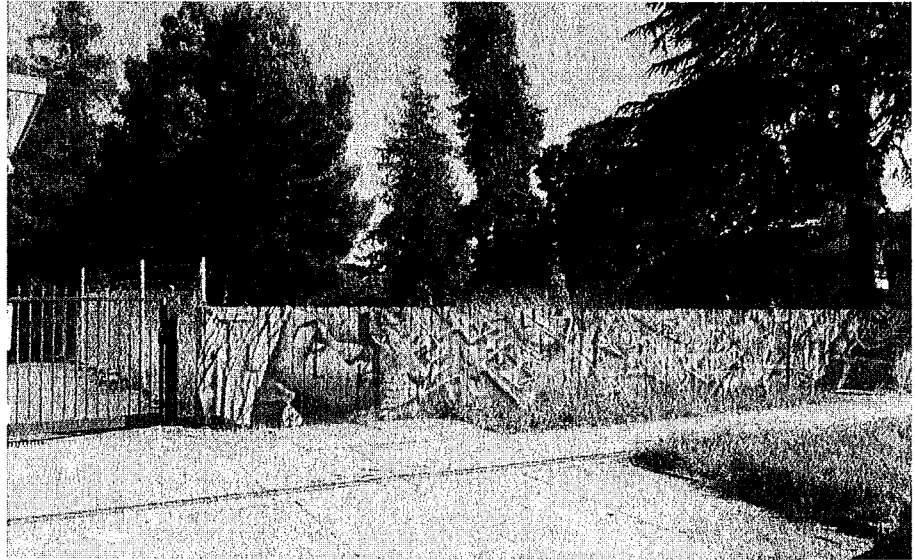
Attachment E: Derby Avenue Parcel Appraisal

Subject Property
Derby Avenue, North of
International Boulevard,
Oakland, California

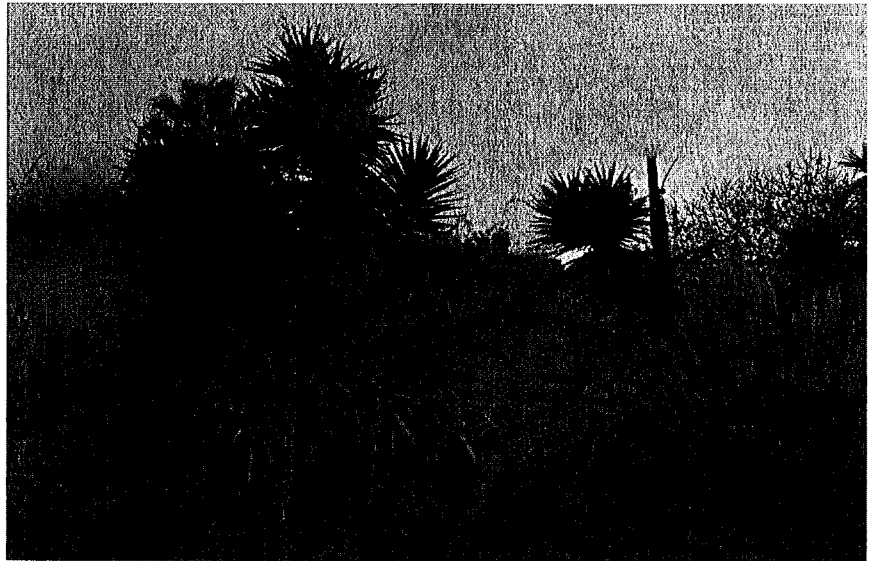
Sale Four
2011 MacArthur Blvd,
Oakland



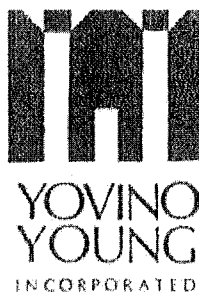
Sale Five
3124 High St, Oakland



Sale Six
3223 Hannah Street,
Oakland



Yovino-Young Inc.
Our Refrence No 160397



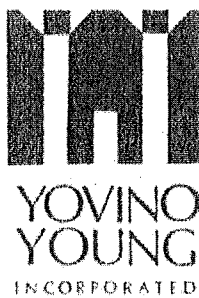
Sale One, 1158 14th Street, Oakland, is located $\frac{1}{2}$ mile northeast of the West Oakland BART station, and is somewhat larger in size. It is comprised of six parcels and was previously entitled for development with six large townhouses. Per listing agent, buyer considered development with up to 11 residential units per zoning regulations, but will probably opt to develop six townhomes. The listing broker received a variety of offers, and the transaction closed within 35 days of listing. The sale price was $\pm 10\%$ over asking. The property has the same zoning as the subject. It is adjacent to single family residential properties.

Sale Two, 1905 62nd Avenue, Oakland, is a 4,310 sf non-corner site in a residential neighborhood known as Seminary. The seller was a local church located next door. The site could be developed with two units, but the listing agent stated that the buyer will probably build a single residence. The location is inferior to the subject's Fruitvale setting near BART.

Sale Three, 5917 Bromley Avenue, Oakland is a rectangular non-corner site in the same district as Sale Two. It is level parcel containing $\pm 17,990$ sf. The property has been previously developed with an apartment complex. This location is inferior to the subject's Fruitvale district setting.

Sale Four, 2011 MacArthur Blvd, Oakland is a non-corner irregularly shaped parcel adjacent to a day-lighted creek watercourse. The zoning of the front portion is commercial, and is improved with a 4-unit wood frame retail building at the street frontage that was in poor condition as of the sale. The rear of the parcel is vacant and is zoned RM-3. The property was marketed as a development site by the listing broker, and the seller confirmed that the building was in poor condition, and that he expected the buyer to redevelop the site. As such the existing $\pm 3,329$ sf retail building provides some carrier income which offsets increased taxes and other future holding costs and demolition expense. The location is at the north end of the Fruitvale commercial node, and is superior to the subject in this regard. The portion of the site zoned CN-1 provides superior utility.

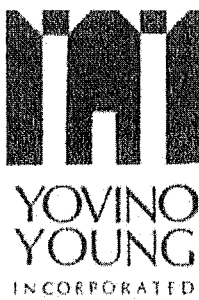
Sale Five, 3124 High Street, Oakland is pending sale of a rectangular non-corner site containing over $\frac{1}{2}$ acre. The transaction is scheduled to close on July 12, 2017, and one contingency (an Environmental Site Assessment), remains outstanding. The buyer's broker stated he expects that report to be delivered within one week, is not expecting adverse results, and anticipates a sale recording at full asking price. Under its RM-4 zoning this property could possibly be developed with up to 20 units. This location is considered inferior to the subject setting, due to heavy traffic exposure on High Street though it has easy access to Hwy. I-580. Neighborhood services are inferior.



Sale Six, 3223 Hannah Street, Oakland is non-corner site in the "Dogtown" at the north end of west Oakland adjacent to Emeryville. This mixed residential and industrial district has been gentrifying for a couple of decades. It is considered equivalent to the subject's location. It is comprised of three adjacent parcels. The RM-2 zoning would allow a total of 5 units.

Adjustments to the data were made for location, site utility, conditions of sale, market conditions, and immediate expenditures. A further adjustment to the data was made separately for each subject property for size and scale.

Summary of Adjustments	#1	#2	#3	#4	#5	#6
Derby Avenue, Oakland	1158 14th St, Oakland	1905 62nd Avenue, Oakland	5917 Bromley Ave, Oakland	2011 MacArthur Blvd, Oakland	3124 High St, Oakland	3223 Hannah Street, Oakland
Sale Price	\$785,000	\$108,000	\$524,000	\$600,000	\$650,000	\$425,000
Adjustments to the Data	1	2	3	4	5	6
UnAdjusted Price/SF	\$60.53	\$25.06	\$29.13	\$44.28	\$28.53	\$42.61
Rights Appraised	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Adjusted Price	\$785,000	\$108,000	\$524,000	\$600,000	\$650,000	\$425,000
Financing Terms	Cash/Conv.	Cash/Conv.	Cash/Conv.	Cash/Conv.	Cash/Conv.	Cash/Conv.
Adjusted Price	\$785,000	\$108,000	\$524,000	\$600,000	\$650,000	\$425,000
Conditions of Sale	\$0	0	0	0	0	0
Adjusted Price	\$785,000	\$108,000	\$524,000	\$600,000	\$650,000	\$425,000
Immediate Expenditures	\$0	none	none	none	none	none
Adjusted Price	\$785,000	\$108,000	\$524,000	\$600,000	\$650,000	\$425,000
Time (Market Conditions):	6%	3%	4%	5%	-1%	10%
Adjusted Price	\$832,229	\$111,647	\$544,702	\$628,131	\$643,500	\$469,102
Current Cash Equiv. Price	\$832,229	\$111,647	\$544,702	\$628,131	\$643,500	\$469,102
Adjusted Price/SF	\$64	\$26	\$30	\$46	\$28	\$47
Location	0%	20%	20%	0%	20%	0%
Topography	0%	0%	0%	5%	0%	0%
Access	-5%	0%	0%	10%	0%	0%
Utility	0%	0%	0%	-10%	5%	10%
Entitlements	-10%	0%	0%	0%	0%	0%
Net Adjustments	-15%	20%	20%	5%	25%	10%
Subtotal:	\$55	\$31	\$36	\$49	\$35	\$52
Size (Scale)	2%	-3%	5%	3%	8%	1%
Indicated Values	\$56	\$30	\$38	\$50	\$38	\$52



Price Per SF Analysis:						
Value Indications	Mean Area (Comps)		Subject			
	13,596		9,000			
	Unadjusted		Adjusted			
	\$/SF		\$/SF			
Mean \$/sf	\$44		\$45			
Max \$/sf	\$55		\$56			
Min \$/sf	\$31		\$30			
Variance Max/Min	1.75		1.84			
Concluded Index (\$/SF)						
	\$50		9,000			\$450,000
Price Per Unit Analysis:						
	#1	#2	#3	#4	#5	#6
Adjusted Price	\$722,989	\$130,486	\$686,289	\$676,209	\$865,954	\$518,808
No Units	11	2	13	15	20	5
Price/Unit	\$65,726	\$65,243	\$52,791	\$45,081	\$43,298	\$103,762
Units Per Acre	37	20	31	48	38	22
Mean Price/Unit	\$50,000					
Mean Units/Acre	33					
Subject Units/Acre	39					
Concluded Price/Unit						
	\$55,000	8	\$440,000			

In both analyses, most emphasis was placed on Sales One and Five due to their recent dates of sale, and zoning (development density). Most weight is placed on the \$/□ index due as the unit density of the comparables varied so widely.

The concluding value indication by the sales comparison approach is:

\$450,000.



10. VALUE CONCLUSIONS

The sales comparison approach was the methodology utilized in the appraisal which resulted in the following conclusions:

Appraisal Premise	Market Value
As Is	\$450,000

The conclusions are based on analysis of competitive properties which sold within the last 24 months, and which had similar physical and zoning characteristics. This property type is in demand due to the limited supply of such sites, and the housing units which may be developed on them. I am confident that the underlying data and the appraisal analysis are sound and yield a credible estimate of market value.

I conclude that market value of the subject property, subject to the Limiting Conditions and Assumptions in Section 4 of this report, as of May 1, 2017 is as follows:

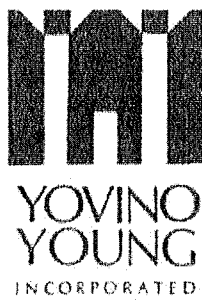
FOUR HUNDRED FIFTY THOUSAND DOLLARS (\$450,000.00)

Marketing Time & Exposure Period

In concluding at the opinions of market value for the subject property, marketing and exposure periods are analyzed. The exposure period is defined as "the estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal." Thus it is assumed to have occurred prior to the date of valuation.

In contrast, the marketing period is the estimated time that it would take competitive properties to sell subsequent to the date of valuation.

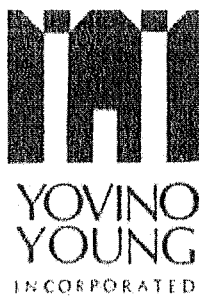
For the subject, a reasonable exposure period is concluded at 9-12 months. A marketing period of 12 months is concluded for typical properties similar to the subject (allowing time for typical marketing efforts, due diligence, and close of escrow).



11. CERTIFICATION

This appraisal is conveyed in an Appraisal Report format (USPAP 2-2). The signatory below certifies that, to the best of his or her knowledge and belief:

- the statements of fact contained in this report are true and correct.
- the property was personally inspected unless otherwise indicated by designating a signatory to this report as a "Supervising Appraiser".
- the reported analyses, opinions, and conclusions are limited only by the stated assumptions and limiting conditions, and are the personal, impartial, and unbiased work product of the named appraisers.
- there are no past, present, or prospective interests, adverse interests, or bias with respect to the property that is the subject of this appraisal, nor any personal interest with respect to the parties involved.
- the acceptance of, engagement in, and compensation for this assignment are not contingent upon developing or reporting a predetermined or stipulated result, a predetermined value or direction of value that may favor the cause of the client, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- the analyses, opinions, and conclusions were developed, and this report prepared, in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP), and for members, the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute. The preparation and use of this report is subject to the requirements of the Appraisal Institute relating to review by duly authorized representatives.
- unless otherwise identified in this report, no one provided significant professional assistance to the persons signing this report.
- all appraisers licensed by the Office of Real Estate Appraisers (OREA) of the State of California are required to complete a minimum level of continuing education to be eligible for license renewal on specified dates. The signatories to this report are currently licensed and have met all current requirements of the Office of Real Estate Appraisers.
- as of the date of this report, signatories who are members of the Appraisal Institute have completed the requirements of the continuing education program and are currently recertified.



- As of the date of this report, Peter D. Overton, MAI, has completed the requirements under the continuing education programs of the Appraisal Institute.

- As of the date of acceptance of this assignment, the undersigned had not provided services as appraisers, nor in any other capacity, with respect to the subject property for the previous three years.

Attached as Exhibit C is a statement of the professional qualifications of the appraiser.

Thank you for providing us this opportunity to be of service. This report has been prepared in accordance with the Uniform Standards of Professional Appraisal Practice (USPAP) and with our agreement and understanding of the nature and requirements of the appraisal assignment.

We will retain all relevant data and research material in file should you require further appraisal services concerning this property.

Very truly yours,
YOVINO-YOUNG, INCORPORATED

A handwritten signature in black ink, appearing to read "Peter D. Overton", is written over a horizontal line.

Peter D. Overton, MAI
Appraiser
Certified General R.E. Appraiser,
California State License No. AG002631

EXHIBIT A

LEGAL DESCRIPTION

PARCEL THREE:

Lots 6, 7, 8 and the Southwestern 15 feet of Lot 9 in Block "C", as said lots and block are shown on the Map of "Wetherbee Business Subdivision, Oakland, Alameda County, Calif. 1924", filed April 16, 1924, in Book 4 of Maps, Page 39, in the office of the County Recorder of Alameda County.

APN: 025 -0720-002-01

EXHIBIT B

SALE NO. ONE		PROPERTY TYPE: LAND	
STREET ADDRESS:	1158 14th St	ASSESSOR'S NUMBER:	005-0378-028,029,030,031,032,033
CITY:	Oakland	DOCUMENT NUMBER:	109251
ZIP:	94607	STATUS:	Closed
SALE PRICE:	\$785,000	LISTING PRICE:	\$715,000
PENDING DATE:	29-Apr-2016	LISTING DATE:	3/18/2016
SELLER:	Arrece Jameson	BUYER:	Phua Lee Family Living Trust
FINANCING:	All cash	RIGHTS TRANSFERRED:	Fee Simple

SALE COMMENTS:
Normal marketing of vacant site generated multiple offers and increase in sale price over asking

Site Area (SF):	12,968	Zoning:	RM-4/S-20
Shape:	Rectangular	Topography:	Level
Street Frontage:	125 feet on 14th Street, 105 feet on Adeline St		
Probable Use:	Apartment Development	No. Units:	11

PROPERTY COMMENTS:
Property includes six parcels and was previously entitled for development with six large townhouses. Per listing agent, buyer considered development with up to 11 residential units per zoning regs, but will probably opt to develop 6 townhomes.

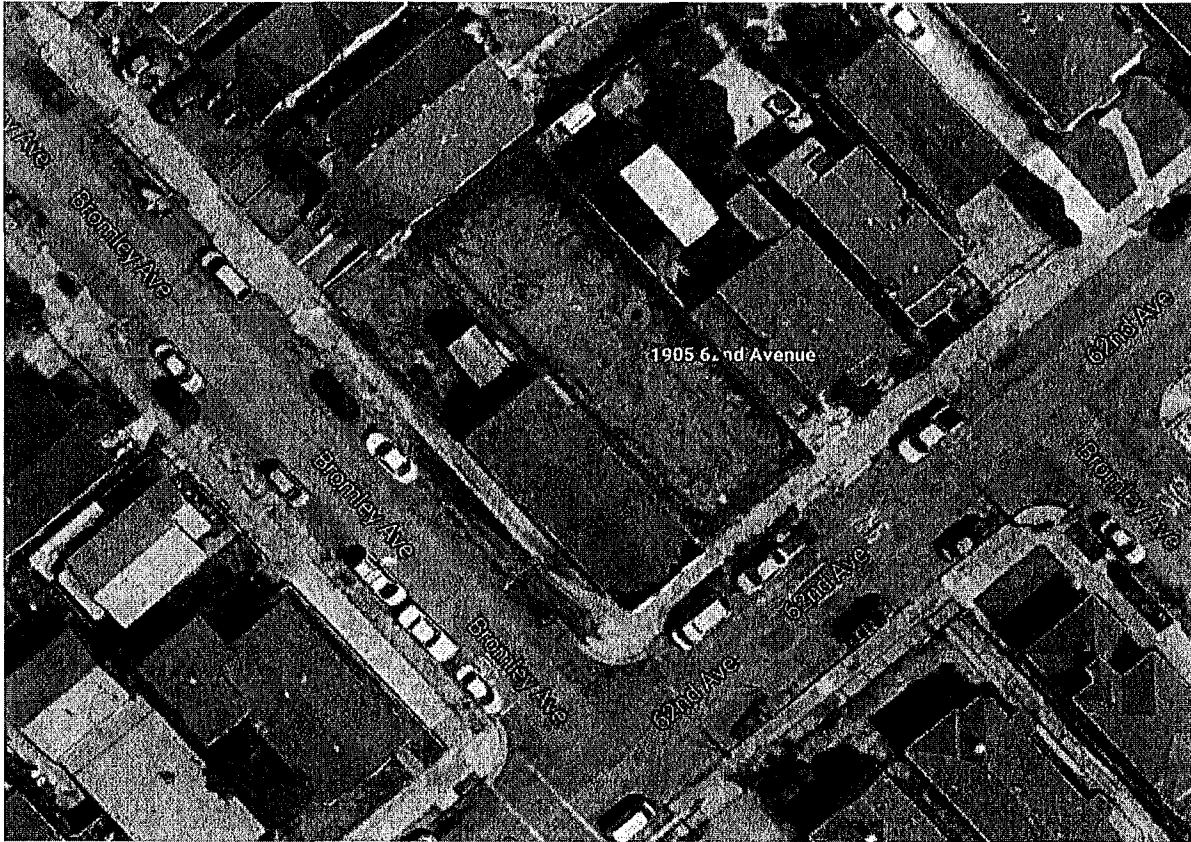
ANALYSIS OF TRANSACTION:

Effective Sale Price:	\$785,000
UNIT INDICES:	
\$/SF:	\$60.53
\$/UNIT:	\$71,364
Data Source:	Costar, MLS, NDC data, listing agent Nolan Jones 510-867-4806



Attachment E: Derby Avenue Parcel Appraisal

SALE NO. TWO		PROPERTY TYPE: LAND	
STREET ADDRESS:	1905 62nd Avenue	ASSESSOR'S NUMBER:	038-3214-025
CITY:	Oakland	DOCUMENT NUMBER:	264786
ZIP:	94607	STATUS:	Closed
SALE PRICE:	\$108,000	LISTING PRICE:	\$119,000
RECORDING DATE:	7-Oct-2016	LISTING DATE:	9/26/2016
SELLER:	Saint Andrew Missionary Baptiist Church	BUYER:	Mengsteab H Teweldebirhan
FINANCING:	All cash	RIGHTS TRANSFERRED:	Fee Simple
SALE COMMENTS:	Normal marketing all cash sale		
PROPERTY DESCRIPTION:			
Site Area:	4,310	Zoning:	RM-2
Shape:	Rectangular	Topography:	Level
Street Frontage:	39 feet on 62nd Avenue		
Probable Use:	Single Residence	No. Units:	2
PROPERTY COMMENTS:	Non-corner parcel suitable for development of single residence.		
ANALYSIS OF TRANSACTION:			
Effective Sale Price:	\$108,000		
UNIT INDICES:			
\$/SF:	\$25.06		
\$/UNIT:	\$54,000		
Data Source:	NDC Data, MLS, Selling broker Malkeet Singh 510-938-8503		

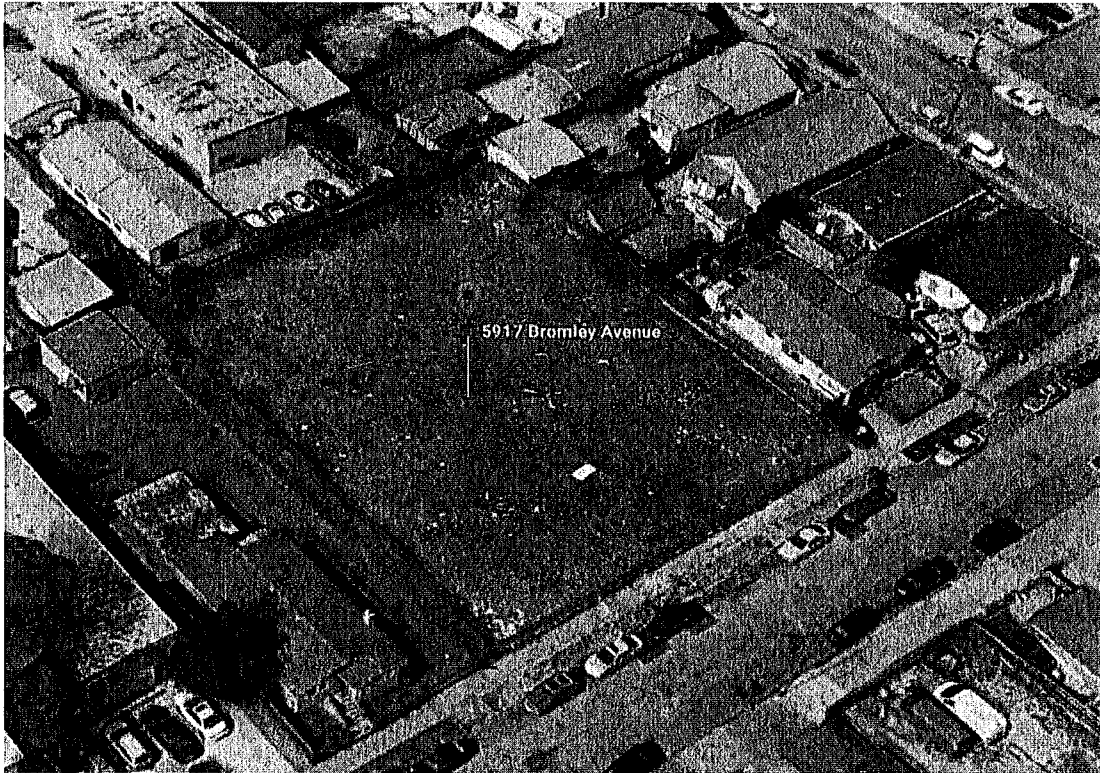


Attachment E: Derby Avenue Parcel Appraisal

SALE NO. THREE		PROPERTY TYPE: LAND	
STREET ADDRESS:	5917 Bromley Ave	ASSESSOR'S NUMBER:	015-1350-038
CITY:	Oakland	DOCUMENT NUMBER:	224060
ZIP:	94321	STATUS:	Closed
SALE PRICE:	\$524,000	LISTING PRICE:	\$399,000
RECORDING DATE:	2-Sep-2016	LISTING DATE:	7/24/2015
SELLER:	Comm 1st Dev Fund	BUYER:	Bradley Miller
FINANCING:	All Cash	RIGHTS TRANSFERRED:	Fee Simple
SALE COMMENTS:	Conventional sale of vacant parcel. 59 days on market		

PROPERTY DESCRIPTION:			
Site Area:	17,990	Zoning:	RM-4
Shape:	Rectangular	Topography:	Level
Street Frontage:	125 feet on Bromley Ave		
Probable Use:	13 townhouses	No. Units:	13
PROPERTY COMMENTS:	Rectangular non-corner site located in residential neighborhood. Vacant site previously developed with apartments.		

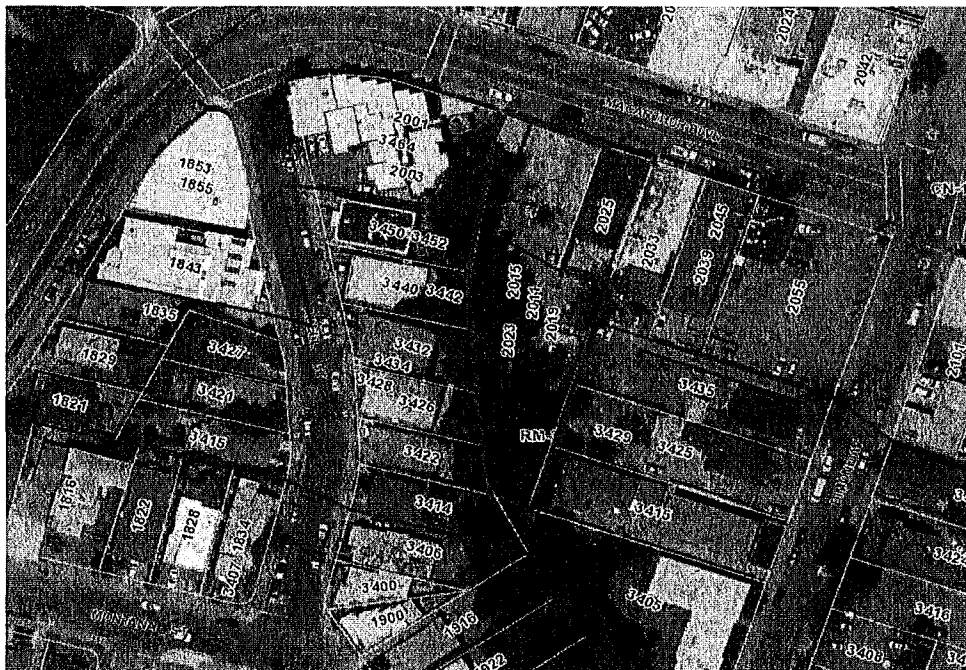
ANALYSIS OF TRANSACTION:	
Effective Sale Price:	\$524,000
UNIT INDICES:	
\$/SF:	\$29.13
\$/UNIT:	\$262,000
Data Source:	Costar, MLS, NDC Data, Seller - Paul LeJoy 510-299-0093



SALE NO. FOUR		PROPERTY TYPE: LAND	
STREET ADDRESS:	2011 MacArthur Blvd	ASSESSOR'S NUMBER:	026-0835-001
CITY:	Oakland	DOCUMENT NUMBER:	180325
ZIP:	94602	STATUS:	Closed
SALE PRICE:	\$600,000	LISTING PRICE:	\$729,000
RECORDING DATE:	19-Jul-2016	LISTING DATE:	1/22/2016
SELLER:	Great Day Development	BUYER:	Community First USA LLC
FINANCING:	35% down; Conv 1st TD	RIGHTS TRANSFERRED:	Fee Simple
SALE COMMENTS:	Conventional sale; 179 days on market. Site encompasses two zoning classifications		

PROPERTY DESCRIPTION:			
Site Area:	13,550	Zoning:	RM-3; Mixed Residential and CN-1 Neighborhood Commercial
Shape:	Irregular	Topography:	Sloping
Street Frontage:	80 feet on MacArthur Blvd		
Probable Use:	Residential Development	No. Units:	15
PROPERTY COMMENTS:	Long irregular sloping parcel along day lighted creek. Rear portion could be developed with residential units. Retail store at street frontage in poor condition.		

ANALYSIS OF TRANSACTION:	
Effective Sale Price:	\$600,000
UNIT INDICES:	
\$/SF:	\$44.28
\$/UNIT:	\$40,000
Data Source:	Costar, NDC Data, Broker Ann Bruff 510-594-7455



Attachment E: Derby Avenue Parcel Appraisal

SALE NO. FIVE		PROPERTY TYPE: LAND	
STREET ADDRESS:	3124 High St	ASSESSOR'S NUMBER:	032 -2032-163
CITY:	Oakland	DOCUMENT NUMBER:	n/a
ZIP:	94619	STATUS:	Pending
SALE PRICE:	\$650,000	LISTING PRICE:	\$650,000
RECORDING DATE:	1-Jul-2017	LISTING DATE:	3/2/2017
SELLER:	Chujun Liao	BUYER:	n/a
FINANCING:	n/a	RIGHTS TRANSFERRED:	Fee Simple
SALE COMMENTS:	Two adjacent parcels transferred in conventional sale for all cash		

PROPERTY DESCRIPTION:			
Site Area:	22,780	Zoning:	RM-4
Shape:	Rectangular	Topography:	Level
Street Frontage:	54 feet on Wood Street		
Probable Use:	Multi-Unit residential	No. Units:	20
PROPERTY COMMENTS:	Rectangular non-corner, level site in residential neighborhood.		

ANALYSIS OF TRANSACTION:	
Effective Sale Price:	\$650,000
UNIT INDICES:	
\$/SF:	\$28.53
\$/UNIT:	\$32,500
Data Source:	MLS, NDC Data, Listing Broker, Fanny Li 510-303-2228



SALE NO. SIX		PROPERTY TYPE: LAND	
STREET ADDRESS:	3223 Hannah Street	ASSESSOR'S NUMBER:	007-0597-018,019,020
CITY:	Oakland	DOCUMENT NUMBER:	217270
ZIP:	94608	STATUS:	Closed
SALE PRICE:	\$425,000	LISTING PRICE:	n/a
RECORDING DATE:	7-Aug-2015,	LISTING DATE:	n/a
SELLER:	Mark E Bulwinkle	BUYER:	Between the Tides LLC
FINANCING:	All cash	RIGHTS TRANSFERRED:	Fee Simple
SALE COMMENTS:	Conventional sale.		

PROPERTY DESCRIPTION:

Site Area (SF):	9,975	Zoning:	RM-2
Shape:	Rectangular	Topography:	Level
Street Frontage:	75 feet on Hannah Street		
Probable Use:	Multi-unit Residential	No. Units:	5

PROPERTY COMMENTS: Purchase of three adjacent parcels forming 9,975 sf site. Location is in "Dogtown" area, a gentrifying neighborhood adjacent to Emeryville north of West Oakland

ANALYSIS OF TRANSACTION:

Effective Price: \$425,000
UNIT INDICES:
\$/SF: \$42.61
\$/Unit: \$85,000
Data Source: MLS, Costar, Listing Broker Ann Bruff 510-594-7455



**PROFESSIONAL QUALIFICATIONS
PETER D. OVERTON**

PROFESSIONAL CREDENTIALS

Certified General Real Estate Appraiser (License No. AG002631)
Recertified to 08/12/18 BREA, State of California

Designated Member of the Appraisal Institute
MAI; Appraisal Institute #11878
Qualified as Expert Witness - Alameda County Superior Court

EDUCATION

Department of Architecture, MIT, Cambridge, Massachusetts, 1964-65.
B.A. Knox College, Galesburg, Illinois, 1965-1969

Professional Courses Completed:

AIREA - Real Estate Appraisal Principles Course 1A1	1986
AIREA - Basic Valuation Procedures Course 1A2	1987
AI - Capitalization; Theory & Techniques 1B_A	1991
AI - Capitalization; Theory & Techniques 1B_B	1991
AI - Case studies in Real Estate Valuation 2-1	1992
AI - Report Writing & Valuation Analysis 540	1994
AI - Eminent Domain Seminar	1995
IRWA - Easement Valuation	1996
IRWA - Legal Aspects of Easements	1996
AI - Detrimental Conditions	1998
McKissock - Regression Analysis	1999
AI - USPAP 410-420	2000
AI - Highest and Best Use / Market Analysis	2005

EXPERIENCE

All types of appraisal assignments in the San Francisco Bay Area with an emphasis on commercial, industrial, office, complex residential, and special purpose properties.

1986-1987 Mitch Durell & Associates Real Estate Appraisers

1987-1989 Dawson & Jones Inc. Real Estate Appraisals

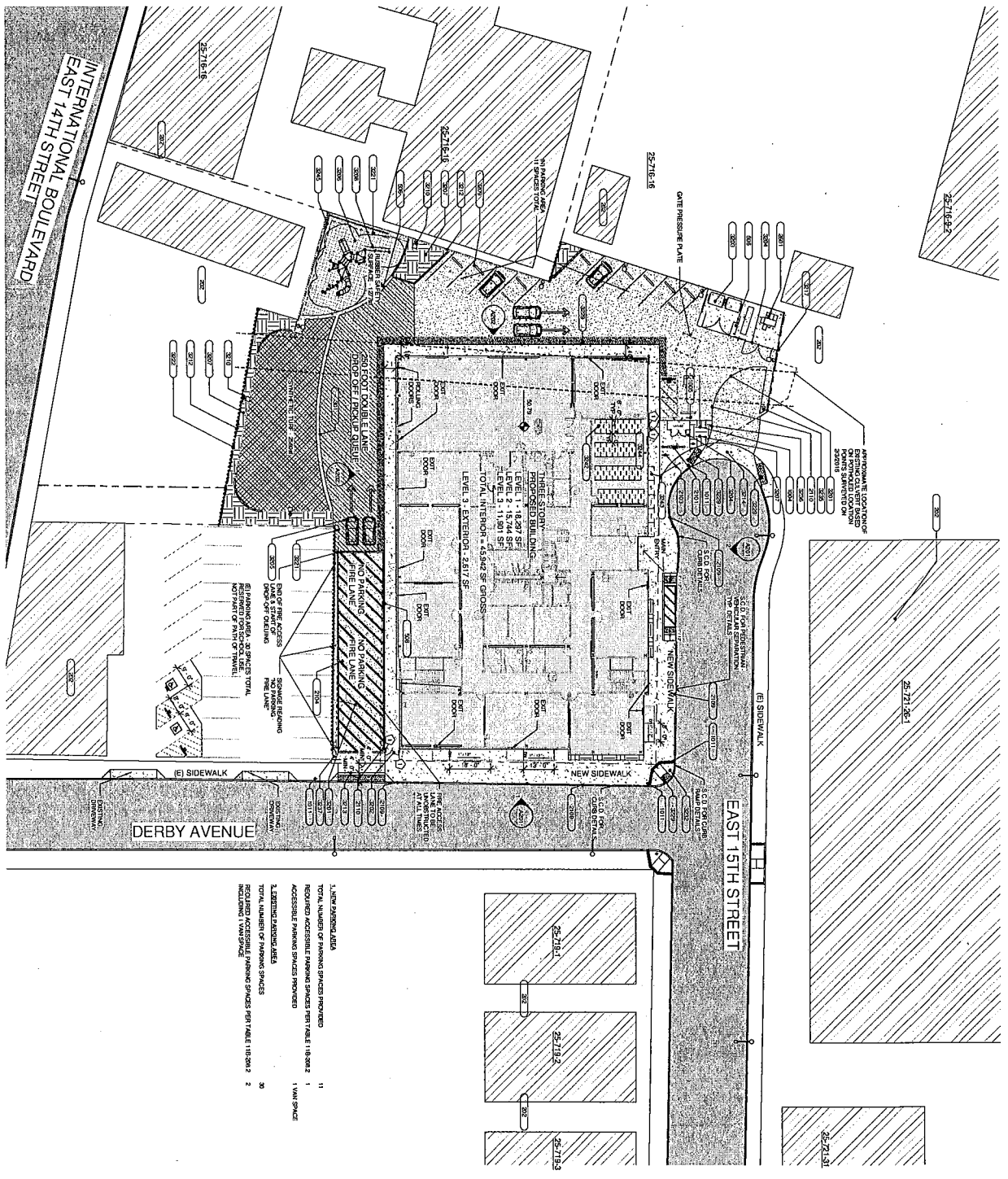
1989-1990 Clyde Standley & Associates, Real Estate Appraisers

1990-Present Senior Appraiser
Yovino-Young Incorporated, Berkeley, California

Attachment F: Aspire School Site Plan and Three-Dimensional Exhibit

2/15/2018 10:03:32 AM

KEY VALUE	DESCRIPTION:
101	CONCRETE PAVING, S.L.D., S.C.D.
102	ASPHALT PAVING, S.L.D., S.C.D.
103	LANDSCAPE/SCULPTURE, S.L.D., S.C.D.
104	AC/E RUBBER MAT, S.C.D.
105	SYNTHETIC TURF, S.A.D.
106	COLOR ACRYLIC PAINT, S.A.D.
107	STRUCTURAL WOODEN TRAPDOOR THRESHOLDS
108	ACCESSIBLE PATH OF TRAVEL
109	GRESS SWAP TO VERTICAL
110	REPORT OF WVI
111	CONCRETE PAVING, S.L.D., S.C.D.
112	ASPHALT PAVING, S.L.D., S.C.D.
113	LANDSCAPE/SCULPTURE, S.L.D., S.C.D.
114	AC/E RUBBER MAT, S.C.D.
115	SYNTHETIC TURF, S.A.D.
116	COLOR ACRYLIC PAINT, S.A.D.
117	STRUCTURAL WOODEN TRAPDOOR THRESHOLDS
118	ACCESSIBLE PATH OF TRAVEL
119	GRESS SWAP TO VERTICAL
120	REPORT OF WVI
121	CONCRETE PAVING, S.L.D., S.C.D.
122	ASPHALT PAVING, S.L.D., S.C.D.
123	LANDSCAPE/SCULPTURE, S.L.D., S.C.D.
124	AC/E RUBBER MAT, S.C.D.
125	SYNTHETIC TURF, S.A.D.
126	COLOR ACRYLIC PAINT, S.A.D.
127	STRUCTURAL WOODEN TRAPDOOR THRESHOLDS
128	ACCESSIBLE PATH OF TRAVEL
129	GRESS SWAP TO VERTICAL
130	REPORT OF WVI
131	CONCRETE PAVING, S.L.D., S.C.D.
132	ASPHALT PAVING, S.L.D., S.C.D.
133	LANDSCAPE/SCULPTURE, S.L.D., S.C.D.
134	AC/E RUBBER MAT, S.C.D.
135	SYNTHETIC TURF, S.A.D.
136	COLOR ACRYLIC PAINT, S.A.D.
137	STRUCTURAL WOODEN TRAPDOOR THRESHOLDS
138	ACCESSIBLE PATH OF TRAVEL
139	GRESS SWAP TO VERTICAL
140	REPORT OF WVI



SITE PLAN LEGEND

SITE PLAN LEGEND

1. NEW PARKING AREA
2. EXISTING PARKING AREA
3. TOTAL NUMBER OF PARKING SPACES PROVIDED
4. REQUIRED ACCESSIBLE PARKING SPACES PER TABLE 116.0802
5. ACCESSIBLE PARKING SPACES PROVIDED
6. LABELING PARKING SPACES
7. TOTAL NUMBER OF PARKING SPACES
8. REQUIRED ACCESSIBLE PARKING SPACES PER TABLE 116.0802
9. TOTAL NUMBER OF PARKING SPACES PROVIDED
10. REQUIRED ACCESSIBLE PARKING SPACES PER TABLE 116.0802
11. TOTAL NUMBER OF PARKING SPACES PROVIDED
12. REQUIRED ACCESSIBLE PARKING SPACES PER TABLE 116.0802
13. TOTAL NUMBER OF PARKING SPACES PROVIDED
14. REQUIRED ACCESSIBLE PARKING SPACES PER TABLE 116.0802
15. TOTAL NUMBER OF PARKING SPACES PROVIDED
16. REQUIRED ACCESSIBLE PARKING SPACES PER TABLE 116.0802
17. TOTAL NUMBER OF PARKING SPACES PROVIDED
18. REQUIRED ACCESSIBLE PARKING SPACES PER TABLE 116.0802
19. TOTAL NUMBER OF PARKING SPACES PROVIDED
20. REQUIRED ACCESSIBLE PARKING SPACES PER TABLE 116.0802

Sheet Name: SITE PLAN
 Project Name: ASPIRE PUBLIC SCHOOLS
 Project Number: 1300
 Date: 2/15/2018
 Author: [Name]
 Status: [Status]

Approved Stamp
 Project Information
 Drawing Scale: 1" = 20'-0"
 Project Information: 2/15/2018
 Status: PLANNING
 Project Number: 1300

Client: ASPIRE PUBLIC SCHOOLS
 Project Name: ASPIRE ERES ACADEMY
 2855 INTERNATIONAL BOULEVARD, OAKLAND, CA 94601
 Consultants: [Firm Name]

ARCHITECTURE + INTERIORS
 555 Oakland Street, Suite 390
 San Francisco, CA 94107
 Tel: 415.497.8800
 Fax: 415.497.8809

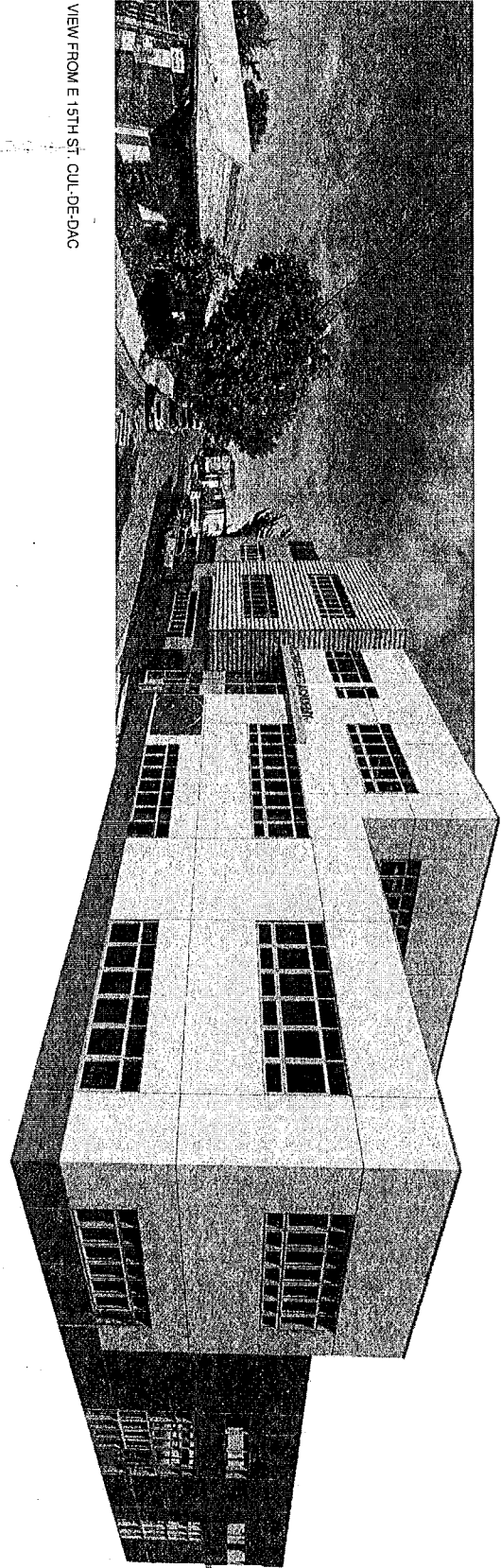
Professional Seal
 License No. [Number]
 State of California
 Architect

ARCHITECTURE + INTERIORS
 555 Oakland Street, Suite 390
 San Francisco, CA 94107
 Tel: 415.497.8800
 Fax: 415.497.8809

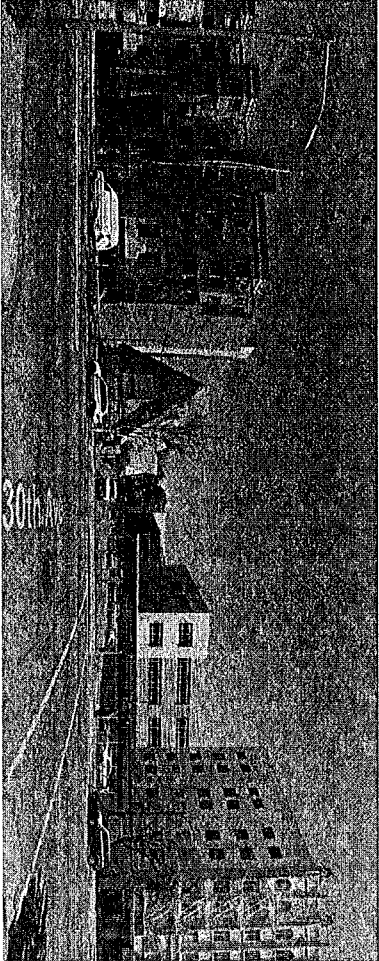
A101

Attachment F:
Aspire School Site Plan and Three-Dimensional Exhibit

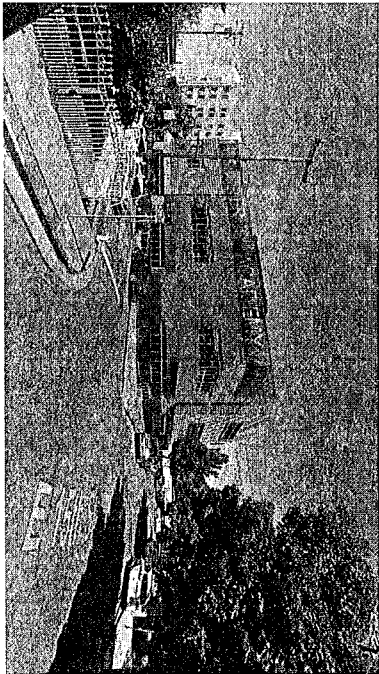
2/15/2018 10:07:52 AM



VIEW FROM E 15TH ST. CUL-DE-SAC



VIEW FROM INTERNATIONAL & 30TH AVE



VIEW FROM DERBY AVE. & E 15TH ST.



ARCHITECTURE
+ INTERIORS

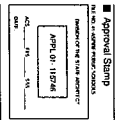
555 Delano Street, Suite 300
San Francisco, CA 94107
Tel. 415.487.6900
Fax. 415.487.6909



Client
ASPIRE PUBLIC
SCHOOLS

Project Name
ASPIRE ERES
ACADEMY
2935 INTERNATIONAL
BOULEVARD OAKLAND, CA
94612
Consultants

Sheet Name
THREE-DIMENSIONAL
EXHIBITS



Revisions

Sheet Information
Drawing Scale: 1/4" = 1'-0"
Drawn By: JL
Project Information
Date: 2/15/2018
Status: PLANNING
Project Number: 1500
Sheet

A903

**Summary Report Pursuant To
California Government Code Section 52201
On The Proposed Conveyance of Real Property Pursuant To A Disposition And
Development Agreement By And Between The City Of Oakland and
Pacific West Communities, Inc.
For The Acquisition of Derby Avenue, North of International Blvd, Oakland, CA**

This summary report dated March 27, 2018 is prepared pursuant to California Government Code Section 52201. According to the City of Oakland ("City"), the City intends to convey a parcel known as Derby Avenue, north of International Blvd, Oakland, California (the "Property") containing approximately 9,000 square feet through a Disposition and Development Agreement ("DDA"). This report describes the proposed DDA by and between the City and Pacific West Communities, Inc. ("Developer"). The site would be consolidated with two other parcels, all of which are to be developed as an Aspire ERES Academy, which would involve the construction of a three-story kindergarten through eighth (K-8th) grade public charter school, and include other site improvements such as outdoor play areas and an on-site surface parking lot.

California Government Code Section 52201 (a)(1), states that "a city, county, or city and county may sell or lease property to create an economic opportunity. The acquisition, sale, or lease shall first be approved by the legislative body by resolution after a public hearing. Notice of the time and place of the hearing shall be published in a newspaper of general circulation in the community at least once per week for at least two successive weeks, as specified in Section 6066, prior to the hearing."

Furthermore, California Government Code Section 52201(a)(2) states that, "The city, county, or city and county shall make available, for public inspection and copying at a cost not to exceed the cost of duplication, a report no later than the time of publication of the first notice of the hearing mandated by this section." The report must include:

- A. A copy of the proposed acquisition, sale, or lease.
- B. A summary that describes and specifies all of the following:
 - 1. The cost of the agreement to the city including land acquisition costs, clearance costs, relocation costs, the costs of any improvements to be provided by the city, plus the expected interest on any loans or bonds to finance the agreements.
 - 2. The estimated value of the interest to be conveyed or leased, determined at the highest and best uses permitted under the general plan or zoning.
 - 3. The estimated value of the interest to be conveyed or leased, determined at the use and with the conditions, covenants, and development costs required by the sale or lease. The purchase price or present value of the lease payments, which the lessor will be required to make during the term of the lease. If the sale price or total rental amount is less than the fair market value of the interest to be conveyed or leased, determined at the highest and best use, then the city shall provide as part of the summary an explanation of the reasons for the difference.

4. An explanation of why the sale or lease of the property will assist in the creation of economic opportunity, with reference to all supporting facts and materials relied upon in making this explanation.

This Summary Report is presented to satisfy the requirements of California Government Code Section 52201(a)(2). Section A provides an overview of the project. Section B addresses the specific provisions of California Government Code Section 52201(a)(2).

The report is organized as follows:

- A. **Summary of the Disposition** – This section includes a description of the Property and the proposed Derby Avenue project to be developed on the Property (the “Project”).
- B.1. **Cost of the Disposition to the City** – This section outlines the cost to the City of the proposed DDA.
- B.2. **Estimated Values of the Property at its Highest and Best Use** – This section summarizes the estimated value of the Property at its highest and best use permitted under the general plan and zoning designation and the estimated value of the Property at its highest and best use under current entitlements and/or development plans.
- B.3. **Estimated Value of the Property as Constrained by the Use and Conditions, Covenants, and Development Costs Identified in the DDA** – This section summarizes the estimated value of the Property as constrained by the use and the conditions, covenants, and development costs required under the proposed DDA and provides an explanation of the reasons for the difference between this value and the highest and best use value.
- B.4. **Creation of Economic Opportunity** – This section identifies the economic opportunities created by construction of the Aspire ERES Academy project and its use as a public charter school.
- C. **Conclusion**

A. Summary of the Project

Description of the Property

According to a report provided to the City by the Developer, the proposed project includes the construction of a kindergarten through eighth (K-8th) grade public charter school. The proposed project would include construction of a three-story campus building with a total floor area of 48,559 square feet. In addition to classroom space, the project would include administrative offices, multi-purpose room, kitchen, storage areas, reception/front offices, restrooms, and bicycle storage room. In addition to the three-story structure, the proposed project would include a 9,500-square-foot outdoor play/recreation area, complete with a green living wall, play structure and synthetic turf area, and a 3,013-square-foot indoor multi-purpose room.

The proposed project will be constructed on three parcels, including the subject property. The Developer has acquired the other two parcels and the subject property is the last parcel needed to assemble the required site area.

Description of the Project Transaction Structure

As noted above, the developer is Pacific West Communities, Inc. With the exception of the Property, the Developer has assembled the required parcels for the project, has coordinated the project entitlements, assisted with project management, financed pre-development costs, assisted in the coordination of design documents and will maintain a role in overseeing construction and project close-out. After conveyance of the Property from the City to the Developer and prior to the start of construction, the Developer will sell all of the project parcels to Aspire Public Schools, Inc. ("Aspire"). Aspire is a charter management organization with a mission to assist students in inner-city low-income neighborhoods to become college-bound. Aspire currently serves approximately 13,000 students nationwide with several schools in the City.

As project owner, Aspire will coordinate project design, obtain financing, oversee construction and operate the school. Aspire has received commitments for both a grant and a loan from the State of California for the proposed project, which will fund 100% of project costs.

B.1. Cost of the DDA to the City

The proposed DDA has not been executed; however, it is the City's intent to convey the Property to the Developer on a fee-simple basis. The Developer has agreed to purchase the site for the full appraised value of \$450,000 pursuant to an appraisal conducted on June 6, 2017 by Yovino, Young, Incorporated. With the exception of certain customary transaction costs, the City will incur no additional costs in connection with this transaction. The City acquired the site in 2010 for approximately \$250,000.

B.2. Estimated Values of the Property at its Highest and Best Use under General Plan and Zoning Designations and under Current Entitlements and/or Development Plans

As noted above, the Property was appraised in June 2017. The appraised value was based on the Property's highest and best use, which the appraisal deems as a redevelopment project with a multi-housing residential (or mixed use) complex of up to 8 units. The site is zoned RM-4 Residential Mixed Housing Type 4 Zone with a maximum residential density for the subject of one unit per 1,100 square feet of site area, or 8 units.

The appraisal utilized the sales comparison approach based on an analysis of competitive properties which sold within the last 24 months, and which had similar physical and zoning characteristics. Each sales comparable reflected a vacant lot suitable for multi-housing residential development. The appraisal evaluated six sales comparables meeting the criteria above. The appraisal adjusted the sales data for location, site utility, conditions of sale, market conditions, and immediate expenditures to derive a sales price per square foot. A further adjustment to the data was made separately for each subject property for size and scale. The appraisal concluded a fair market value for the Property of \$50 per square foot or \$450,000.

B.3. Estimated Value of the Property as Constrained by the Use and Conditions, Covenants, and Development Costs Identified in the DDA

As described above, following the acquisition of the Property, the Developer will convey the land to Aspire for construction of a three-story kindergarten through eighth (K-8th) grade public charter school. Further, as noted in Section B.2 above, the highest and best use per a recent appraisal was deemed to be a multi-family project containing up to 8 units. As the Property will be only one of three parcels comprising the entire proposed public charter campus and the Developer has agreed to purchase the site at its appraised value based on its highest and best use, the estimated value of the Property as may be constrained by the use, conditions and covenants in the proposed DDA is, therefore, estimated to be equal to its highest and best use value of \$450,000.

Per Chapter 17.134 of the Municipal Code, the proposed project would require a Major Conditional Use Permit to build as the project size exceeds the allowable non-residential use. The proposed project would also require Minor Variances to exceed the maximum height of 35 feet and exceed the maximum fence height of 8 feet. The proposed project will be presented before the Planning Commission in April 2018 for approval.

B.4. Creation of Economic Opportunity

According to California Government Code Section 52200.2 "economic opportunity" includes "Development agreements, loan agreements, sale agreements, lease agreements, or other agreements that create, retain, or expand new jobs, in which the legislative body finds that the agreement will create or retain at least one full-time equivalent, permanent job for every thirty-five thousand dollars (\$35,000) of city, county, or city and county investment in the project after full capacity and implementation."

The Property is currently vacant and unimproved. The site has been vacant since it was acquired by the City in 2010 and previously served as a parking lot for the Melrose Ford Auto Center. Per a project description provided to the City, Aspire anticipates that at full capacity, the proposed project would accommodate 600 K-8th grade students and a staff of up to 51 employees. The City is not expected to make any investment in the project. The site is located in the International Boulevard Transit Development Plan area, which will be serviced by a new Bus Rapid Transit line along International Boulevard and will improve public transit access to the proposed public charter school.

In addition, while the public charter school will be exempt from property and other local taxes, the City will benefit from the increased economic activity in the immediate area.

C. Conclusion

For the reasons indicated in this summary report, the consideration to be paid by Developer to the City for the Property is equal to and not less than the estimated fair value.



CITY ATTORNEY

2010 APR 26 PM 2:08

OAKLAND CITY COUNCIL

ORDINANCE NO. _____ C.M.S.

AN ORDINANCE AUTHORIZING THE CITY ADMINISTRATOR OR DESIGNEE, WITHOUT RETURNING TO THE CITY COUNCIL, TO NEGOTIATE AND EXECUTE A DISPOSITION AND DEVELOPMENT AGREEMENT AND RELATED DOCUMENTS BETWEEN THE CITY OF OAKLAND AND PACIFIC WEST COMMUNITIES, INC, OR A RELATED ENTITY, ON TERMS AND CONDITIONS DESCRIBED HEREIN, FOR THE SALE OF THE DERBY AVENUE PARCEL (APN 025-0720-002-01) AT THE APPRAISED FAIR MARKET VALUE OF \$450,000 FOR THE DEVELOPMENT OF AN ASPIRE PUBLIC CHARTER SCHOOL

WHEREAS, City of Oakland, a municipal corporation ("City"), owns an approximately 9,000 square-foot parcel (the "Property") with no street address, identified as APN#: 025-0720-002-01, located on the northwest side of Derby Avenue between East 15th Street and International Boulevard; and

WHEREAS, Pacific West Communities, Inc., an Idaho corporation ("Developer"), is proposing to purchase the Property from City; and

WHEREAS, on October 6, 2015, the City Council, pursuant to Resolution No. 85805 C.M.S, authorized an Exclusive Negotiating Agreement ("ENA") with Developer for a period of twelve (12) months with the option by the City Administrator or his/her designee in his/her sole discretion to extend for an additional six (6) months; and

WHEREAS, Developer has diligently completed its project deliverables pursuant to the terms of the ENA; and

WHEREAS, Developer submitted a proposal to purchase the Property and to combine the Property with adjacent parcels owned by Developer, which are identified as APN 025-0720-007-02 and APN 025-0720-001-00, to develop a three-story Aspire ERES Academy charter school with a total floor area of 48,559 square feet (the "Project") on the Property; and

WHEREAS, the proposed purchase price for the Property is Four Hundred Fifty Thousand Dollars (\$450,000); and

WHEREAS, City staff will negotiate the terms and conditions under which City will enter into with Developer a Disposition and Development Agreement ("DDA") and related transaction documents for the sale and development of the Property for the Project, which DDA will include the following material terms: purchase price; terms and timing of closing; a

good faith deposit; a schedule of development performance; an "as is" Property condition at closing; a completion guaranty; recordation of a memorandum encumbering title to the Property conveyed to Developer memorializing Developer's obligations (until all are met) to record the parcel map, pull building permits and commence construction by the dates in the DDA; and a deed restriction requiring the site to be used in perpetuity for a school; future property maintenance requirements for the site; and other typical DDA conditions/requirements; and

WHEREAS, the Property is located in the Central City East Project Area and was owned by the former Oakland Redevelopment Agency ("Agency") prior to its dissolution pursuant to AB IX 26 and AB 1484 (collectively, "Redevelopment Dissolution Act"); and

WHEREAS, disposition of the Property is governed by (1) the Long Range Property Management Plan prepared by the Oakland Redevelopment Successor Agency ("ORSA") and approved by the ORSA Oversight Board and the State Department of Finance, and (2) the Master Agreement for Taxing Entity Compensation entered into by City and taxing entities pursuant to the Redevelopment Dissolution Act; and

WHEREAS, California Government Code Section 52201 ("State Law") requires that before any real property formerly owned by ORSA is sold or leased for economic development purposes, the sale or lease must first be approved by the legislative body, i.e., City Council, by resolution after public hearing; and

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

WHEREAS, notice of the time and place of the public hearing was given by publication in a newspaper of general circulation in Alameda County at least once a week for at least two (2) successive weeks prior to the public hearing; and

WHEREAS, as required by State Law, City made a report available to the public for inspection, no later than the first date of publication of the notice for the hearing, that contains: (i) a copy of the proposed sale of the Property, and (ii) a summary of (a) the cost of the agreement to City, (b) the estimated value of the Property determined at the highest and best use permitted under City general plan or zoning, (c) the estimated value determined at the particular use with the conditions, covenants and development costs required by the sale, with an explanation of the reasons for the difference between the purchase price and the fair market value, and (d) an explanation, with supporting facts and materials, of why the sale of the Property will assist in the creation of economic opportunity; and

WHEREAS, City commissioned and received a copy of an independent appraisal by Yovino Young Inc., a City on-call appraisal firm, which firm is a Member of the Appraisal Institute (MAI), which estimated the fair market value of the Property at \$450,000; and

WHEREAS, In April 2018, the City Planning Commission voted to: 1) affirm staff's environmental determination of CEQA Guidelines Section 15183 and 15183.3 and the analysis completed in the Land Use and Transportation Element (LUTE) and Central City East Redevelopment Plan (CCERP) Environmental Impact Reports (EIR), which analyzed

environmental impacts associated with additional development; and 2) approve the Planning Code permits for Regular Design Review, Major Conditional Use Permit, Minor Conditional Use Permit, and Variances to approve the Project.; and.

WHEREAS, City Council adopted Resolution No. 85324 C.M.S. in December 2014 to establish a general policy to lease rather than sell City property; and

WHEREAS, Staff has made the necessary findings regarding justification for a sale instead of a long term ground lease, since Developer is required to purchase the Property to qualify for State Proposition 1D financing, which requires that the project school site be controlled by one (1) party; and

WHEREAS, to facilitate the development with Developer, staff is recommending that the City transfer the Property through a DDA rather than a Lease and Development Agreement; and

WHEREAS, City staff recommends a sale of the Property instead of a ground lease because a sale is necessary to promote the economic development goals of City for the following reasons: 1) it is a State requirement of Proposition 1D bonds that the property is owned entirely by the entity receiving financing from the State for the development of the Aspire school; 2) School Facility Program Regulations (Section 1859.173) require that title to the project facilities be held by the school district, a local government entity or a charter school; and 3) the City owns one of the three parcels that is required for the construction of the school and these parcels must be merged into one legal lot owned by one party for the Project to be permitted and constructed as approved. The City would have to purchase the two adjoining parcels for the Project site to maintain compliance with this State requirement, and the City does not have the funds for this purchase; now therefore:

Council of the City of Oakland does ordain as follows:

SECTION 1. City Council hereby finds, pursuant to Resolution No. 85324 C.M.S., that it is in the best interest of City to sell rather than lease the Property for the reasons stated above, and hereby authorizes the City Administrator or his/her designee to negotiate and execute documents for the conveyance of the Property to Developer pursuant to the terms and conditions of the documents described in Section 2 hereof for the purchase price of \$450,000.

SECTION 2. City Council hereby authorizes the City Administrator or his/her designee to negotiate and execute with Developer a DDA for the sale and development of the Aspire Charter School Project, including without limitation, all exhibits and other transaction documents related thereto, which DDA/transaction documents shall include: (1) a purchase price of \$450,000; (2) terms and timing of closing; (3) a good faith deposit of \$50,000; (4) a schedule of development performance; (5) an "as is" property condition at closing; (6) a completion guaranty; (7) recordation of a memorandum encumbering title to the Property conveyed to Developer memorializing Developer's obligations (until all are met) to record the parcel map, pull building permits and commence construction by the dates in the DDA; (8) a deed restriction requiring the site to be used in perpetuity for a school; (9) future property maintenance requirements for the site; and (10) other typical DDA conditions/requirements,

in consultation with the City Attorney's Office to facilitate the sale and development of the Property for the Project, to consummate the transaction under the DDA in accordance with this Ordinance, and to otherwise effectuate the purpose and intent of this Ordinance and its basic purpose. Developer shall also be required, prior to close of escrow, to satisfy or waive the conditions precedent to the sale of the Property, as determined by the City Administrator or his/her designee, and satisfy any pre-conveyance conditions imposed by the City Administrator or his/her designee on Developer.

SECTION 3. City Council hereby authorizes the City Administrator or his/her designee to accept and appropriate (1) the \$50,000 deposit from Developer upon execution of the DDA and the \$400,000 balance of the purchase price in the Central City East TA Bonds Series 2006A-T (Taxable) Fund (5643), CCE Land Acquisition Project (1000151); and (2) a \$25,000 project expense payment ("PEP") from Developer upon execution of the DDA in Central City East TA Bond Series 2006A-T (Taxable) Fund (5643) Project.

SECTION 4. City Council hereby finds and determines that the sale of the Property for the Project will assist in the creation of economic opportunity in City by (1) retaining a total of 51 full-time Oakland jobs with additional positions and hiring expected at the new school location; and (2) generating approximately 109 temporary full-time construction jobs associated with the construction of the Project.

SECTION 5. City Council hereby further finds and determines that the consideration for the sale of the Property at the agreed upon purchase price is not less than the fair market value for the Property at the use for the Project with the covenants, conditions and development costs related to the sale, and is in the best interest of the City given the need to redevelop the Property for the benefit of the community.

SECTION 6. All agreements and documents associated with the conveyance of the Property for the Project shall be reviewed and approved as to form and legality by the Office of the City Attorney prior to execution by City, and shall be placed on file with the City Clerk.

SECTION 7. The recitals contained in this Ordinance are true and correct and are an integral part of City Council's decision.

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SECTION 8. This Ordinance shall be in full force and effective immediately upon final adoption, as provided by Section 216 of the City Charter, if adopted by at least six (6) members of Council, or upon the seventh day after final adoption if adopted by fewer votes.

IN COUNCIL, OAKLAND, CALIFORNIA, _____, 2018

PASSED BY THE FOLLOWING VOTE:

AYES- BROOKS, CAMPBELL WASHINGTON, GALLO, GIBSON MCELHANEY, GUILLEN, KALB, KAPLAN, and PRESIDENT REID

NOES-

ABSENT-

ABSTENTION-

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

AN ORDINANCE AUTHORIZING THE CITY ADMINISTRATOR OR DESIGNEE, WITHOUT RETURNING TO THE CITY COUNCIL, TO NEGOTIATE AND EXECUTE A DISPOSITION AND DEVELOPMENT AGREEMENT AND RELATED DOCUMENTS BETWEEN THE CITY OF OAKLAND AND PACIFIC WEST COMMUNITIES, INC, OR A RELATED ENTITY, ON TERMS AND CONDITIONS DESCRIBED HEREIN, FOR THE SALE OF THE DERBY AVENUE PARCEL (APN 025-0720-002-01) AT THE AGREED UPON SALES PRICE OF \$450,000 FOR THE DEVELOPMENT OF AN ASPIRE ERES ACADEMY CHARTER SCHOOL

NOTICE AND DIGEST

This Ordinance authorizes the disposition of the Derby Avenue parking lot property, identified as assessor's parcel number 025-0720-002-01, to Pacific West Communities, Inc. for the development of the Aspire Charter School project, which shall consist of a three-story campus building with a total floor area of 48,559 square feet. This Ordinance authorizes the City Administrator to negotiate and enter into a Disposition and Development Agreement, and related transaction documents, with Pacific West Communities, Inc. for this transaction.