

FILED  
OFFICE OF THE CITY CLERK  
OAKLAND

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

2010 JUN 30 PM 6: 53

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

RE: **Agency Resolutions:**

**1) Authorizing the Establishment of a Joint Infrastructure Development Fund in the Initial Amount of Sixteen Million and Three Hundred Thousand Dollars (\$16,300,000) for the Development of Infrastructure, Public Utilities, and Public Streets on the Former Oakland Army Base**

**2) Authorizing the Agency Administrator to Negotiate and Execute, Without Returning to the Agency Board, a Cost Sharing Agreement Between the Redevelopment Agency and the Port of Oakland for the Development of Infrastructure, Public Utilities, and Public Streets on the Former Oakland Army Base Committing a Total of No More Than Thirty-Two Million Dollars (\$32,000,000) of Agency Funds to the Development**

**3) Authorizing**

**(a) an Amendment to the Exclusive Negotiating Agreement with AMB Property Corporation/California Capital Group (AMB/CCG) to Reflect that the Agency, Through its Joint Infrastructure Development Fund Established for the Development of the Former Oakland Army Base, Shall Contribute up to a Maximum Amount of \$240,000 for Required California Environmental Quality Act (CEQA) and National Environmental Policy Act (NEPA) Reviews and Reports for the Construction of Infrastructure, Public Utilities, and Public Streets on the Former Army Base and**

**(b) a Waiver of the Advertising and Request for Proposal/Qualifications Process and an Award of a Contract to LSA Associates, Inc. (LSA) for the Provision of Required CEQA and NEPA Reviews and Reports in an Amount Not-To-Exceed \$360,000**

---

**SUMMARY**

Staff requests that the Agency Board adopt three resolutions that are essential administrative building blocks for the development of the former Oakland Army Base and for the benefits a full build out of the Base will provide Oakland, the region, and the nation.

Item: \_\_\_\_\_  
CED Committee  
July 13, 2010

The first resolution seeks Agency Board authorization to establish a Joint Infrastructure Development Fund, similar to the Joint Environmental Remediation Fund the Agency Board approved April 20, 2010 (Resolution No. 2010-0049 C.M.S.). The purpose of this new Infrastructure Fund is to obligate resources specifically for the development of the Army Base infrastructure under the *One Vision, One Project, One Team* model put forward by the Agency, the Port of Oakland, and our master developer, AMB Property Corporation/California Capital Group (AMB/CCG). The initial contribution to the Joint Infrastructure Development Fund would be \$16,300,000 from Army Base Lease & Utility Fund 9575 and Army Base Redevelopment Area Fund 9570. The new Infrastructure Fund will serve as the administrative control for managing the flow of money that will be invested in the Base for planning, environmental review, design, construction drawings, site preparation and construction of infrastructure, public utilities and public streets—referred to as *horizontal development*.

The second resolution seeks Agency Board authorization for the Agency Administrator to negotiate and enter into a Cost Sharing Agreement with the Port of Oakland for the infrastructure development of the former Army Base without returning to the Agency Board for approval of the final agreement. The Agency's total commitment under the proposed Cost Sharing Agreement would be \$32,000,000 comprised of the following funds: (1) the approved Joint Environmental Remediation Fund of \$5,700,000; (2) \$16,300,000 from the first infusion of cash for the Joint Infrastructure Development Fund; and (3) an additional \$10,000,000 in tax increment generated over seven years from the Oakland Army Base and Maritime Redevelopment Subareas.<sup>1</sup> The advantage of the Cost Sharing Agreement to the Agency will be the Port's commitment of up to \$62,000,000 in Trade Corridor Improvement Funds (TCIF) to support the development of infrastructure, public utilities, public streets, including Maritime Street, Burma Road and 7<sup>th</sup> Street, as well as site preparation of Agency land. The Cost Sharing Agreement will also demonstrate the Agency's and Port's commitment to developing the former Army Base together with AMB/CCG, and position the project for substantial public and private investments.

The third resolution seeks Agency Board authorization of an amendment to the Exclusive Negotiating Agreement (ENA) with AMB/CCG with regard to paying for the California Environmental Quality Act (CEQA) and the National Environmental Policy Act (NEPA) reviews. Although CEQA and NEPA reviews were performed in 2001 and 2002, additional CEQA and NEPA reviews are necessary. The Agency's ability to attract federal funding depends on having the required NEPA review, which typically takes six to nine months, or more, to complete. Staff wants to retain a CEQA consultant, in an amount not-to-exceed \$360,000 from the Joint Infrastructure Development Fund, to perform the required studies on its behalf and require AMB/CCG to reimburse the Agency on a percentage basis related to vertical development. The ENA amendment will specify that the costs for actually preparing the NEPA/CEQA documents by the CEQA consultant. LSA Associates, Inc. has been selected based

---

<sup>1</sup> The net tax increment projected for this seven-year \$10,000,000 commitment will not come from the Wood Street Redevelopment Subarea, which has its own needs for revenue for the rehabilitation of the Train Station.

upon a competitive bidding process conducted by CEDA staff and AMB/CCG. The maximum amount the Agency will contribute is \$240,000. AMB/CCG shall continue to be responsible for all other costs of CEQA/NEPA review (including without limitation at least one-third of LSA's work up to the Agency's maximum contribution of \$240,000; then 100% of the LSA's work thereafter, and any and all other costs of CEQA/NEPA review/compliance).

These three resolutions are part of a package of legislation to align funds and expertise essential for planning, designing and constructing the infrastructure needed on the former Army Base to support private development that serves the Port and creates a new industrial district in Oakland.

### **FISCAL IMPACT**

It is expected that the entire \$16,300,000 to be transferred to the new Joint Infrastructure Development Fund will come from reserved and unreserved Army Base Lease and Utility Fund 9575. If necessary, reserved and unreserved funds will also be transferred from Oakland Base Reuse Authority Fund 9570.<sup>2</sup>

Tax Increment projections for the Army Base and Maritime Redevelopment Subareas indicate Net Non-Housing Tax Increment Revenue of \$17,861,000 for a seven year period from FY 2010/11 through FY 2016/17. Wood Street Subarea Net Non-Housing Tax Revenue during the same seven-year period is not factored into the \$17,861,000 figure.

These recommended investments on the former Army Base will leverage substantial support from the Port's TCIF grant for public infrastructure and other development costs on Agency property. These investments should also attract a substantial amount of federal support to promote economic development, job creation, and other community benefits. These investments will have a positive impact on the City's economy and present no negative impact to the General Purpose Fund.

### **BACKGROUND**

Since the former Oakland Army Base was conveyed to the Oakland Base Reuse Authority and then the Redevelopment Agency, there have been a number of failed attempts to master develop portions of the site. Although all major reports and studies regarding the condition of the site concluded that it would require all new infrastructure to support development, it was not until recently that Agency and Port staff came together to address this enormous challenge.

---

<sup>2</sup> Transfer of funds from one Fund to another requires Agency Board authorization, which may occur through the budget adoption process and through adopted Resolutions.

Development of the former Army Base will occur in partnership with the Agency, Port, and private developer AMB/CCG. With the Port's Trades Corridor Improvement Fund (TCIF) allocation in jeopardy last summer, Port staff, with assistance from AMB/CCG, negotiated a new baseline agreement with the California Transportation Commission, primarily for the development of the Outer Harbor Intermodal Terminal (rail) and adjoining areas, and major improvements to 7<sup>th</sup> and Maritime Streets to improve traffic flow and public safety. The re-negotiated agreement for the TCIF is \$243,000,000. The TCIF agreement requires a dollar-for-dollar match, which is supported by a proposed investment of \$32,000,000 from the Redevelopment Agency over the next seven years. To retain the TCIF allocation, the Port must break ground by December 2013. Substantial environmental review, planning, design and construction drawings are required to get to construction. Given that the infrastructure is predominately for public improvements, it is appropriate that the Redevelopment Agency should support this work at this time.

The combination of Port TCIF and Army Base Redevelopment funds is \$275,000,000, which will serve as hard matching funds essential to attract substantial federal funding. The rough estimate for infrastructure on both the Port and Agency portions of the former Army Base within the TCIF baseline boundaries<sup>3</sup> is \$525,000,000. The Agency and Port have in hand more than 100% in matching funds to attract federal support.

With the development of new infrastructure, including expanded rail service, more efficient streets and intersections, and new public utilities will come private investment estimated at \$225,000,000. A total project of roughly \$750,000,000 will create thousands of construction and permanent jobs, and the substantial economic and community benefits that come with those jobs. The vision is a thriving Port and a new industrial district that benefits Oakland, the region and the nation.

## KEY ISSUES AND IMPACTS

### **The Department of the Army**

The Department of the Army conveyed the former Oakland Army Base pursuant to an Economic Development Conveyance Memorandum of Agreement (EDC MOA). The EDC MOA articulates the Army's requirements that the Agency reinvest proceeds from the former Base into uses directly related to the former Base's economic redevelopment during a seven-year "Reinvestment Period". These allowable uses include planning for redevelopment of the site, and construction of streets, infrastructure, and transportation facilities. Staff's recommendation for the use of the funds generated from the Army Base is consistent with the requirements of the EDC. Therefore, clear demonstration to the Army that the Agency is preparing to make

---

<sup>3</sup> The TCIF baseline agreement includes the Port's portion of the former Army Base, along with the Agency's East and Central Gateway Areas. The West and North Areas are excluded from direct TCIF support, although utilities in those Areas will likely be pulled from utilities in the East and Central Areas.

substantial investments toward the economic redevelopment of the site is critical for effectively closing out the Reinvestment Period. The Agency and Port must also continue to perform environmental remediation to meet the 2013 Army and insurance policy deadlines.

#### **Port Trade Corridor Improvement Fund (TCIF) Allocation**

The Port's \$243,000,000 TCIF allocation requires a 50/50 match. The TCIF allocation requires both the Agency and private sources of funding to meet this match requirement. The Baseline Agreement between the Port and the California Transportation Commission for the TCIF allocation identifies the Agency's \$32,000,000 matching investment. The Cost Sharing Agreement is intended to reinforce the commitment of the Port to investing up to \$62,000,000 in TCIF funds for development construction on the Agency's Army Base property, including remediation, site preparation, public streets and infrastructure. This strong display of local and state support for the project positions the Agency and Port for federal grants, most of which require match. The combination of local, state and federal funding to prepare the former Army Base for development should attract hundreds of millions of dollars in private investment as well. Overall, approximately 72% of the total infrastructure investments for the project will go towards the improvement of Agency/City land and assets.

#### **Agency Investment**

The Agency's initial investment of \$22,000,000 (\$5,700,000 for the Joint Remediation Account and \$16,300,000 for the Joint Infrastructure Development Fund) will reap lasting benefits and comes with minimal risk. The Agency and Port must complete the environmental remediation work as required by the State-approved Remedial Action Plan (RAP) and the Risk Management Plan (RMP) by August 2013 per our agreement with the Army, but preferably much sooner to access our environmental remediation insurance policy. In addition to environmental remediation, the Agency's initial contribution will be used to design the expanded rail, public streets, and public utilities to serve the entire Base. Detailed construction drawings and CEQA and NEPA clearance will pave the way for an infusion of State TCIF and federal funding for construction. Without the design work and environmental clearances, there is no construction money.

As noted previously, the Agency is required to invest the balance of its EDC Reinvestment Period<sup>4</sup> funds into the Army Base for allowable activities that support economic redevelopment for the former Army Base. By establishing the Joint Infrastructure Development Fund and Cost Sharing Agreement with the Port, the Agency will clearly demonstrate its commitment to putting

---

<sup>4</sup> The seven-year Reinvestment Period with the Army ends August 7, 2010. The Army expects to receive a full accounting of all EDC-restricted revenue and expenses. Staff is working with attorneys and the Army to effectively close out the Reinvestment Period. The Army may elect "at its sole and absolute discretion" to extend the Reinvestment Period for up to two years. This extension would give the Agency more time to expend any EDC-restricted funds and will also require the reinvestment of new revenues generated on the Base during the extended period.

any remaining balance of EDC-restricted funds toward the economic redevelopment of the former Army Base.

Based upon projections of new investments in the Army Base and Maritime Sub-districts, net tax increment will increase. Apart from the Wood Street Subarea projected tax increment, staff has concluded that it is feasible to commit an additional investment of \$10,000,000 over seven years towards the Army Base development project.

### **California Environmental Quality Act**

These actions comply with the requirements of the California Environmental Quality Act (CEQA) for the following reasons, each of which provides a separate and independent basis for CEQA compliance: (1) some activities covered under the proposed Joint Infrastructure Development Fund and Cost Sharing Agreement have already been evaluated by the previously certified 2002 EIR, such as hazardous materials remediation; (2) certain activities covered under the proposed Joint Infrastructure Development Fund, Cost Sharing Agreement, and amendments to the ENA are statutorily exempt from CEQA, such as Planning and Feasibility Studies, including detailed design and engineering efforts, pursuant to CEQA Guidelines section 15262; (3) the proposed Joint Infrastructure development Fund and Cost Sharing Agreement are merely funding mechanisms that are not subject to CEQA, pursuant to CEQA Guidelines section 15378(b)(4); and (4) this action is exempt from CEQA pursuant CEQA Guidelines section 15061(b)(3), where it can be seen with certainty that there is no possibility that the project may have a significant effect on the environment.

Specifically, the proposed Joint Infrastructure Development Fund and Cost Sharing Agreement do not constitute an approval by the Agency of the proposed project and the subsequent approval of any specific project by the Agency Board is subject to CEQA, where applicable. In particular, the Agency reserves all of its rights and duties under CEQA with respect to the proposed Army Base project, including without limitation the authority to do any and all of the following: (a) prepare an environmental study evaluating the impacts of the proposed project, feasible alternatives to the project, and feasible mitigation measures; (b) adopt any feasible alternatives and/or feasible mitigation measures to lessen any significant environmental impacts resulting from the proposed project; (c) determine that any significant environmental impacts of the proposed project that cannot be mitigated are acceptable due to project benefits overriding any significant unavoidable impacts; and/or (d) decide to modify or deny its approval of the proposed project, and not to proceed with the project, due to the results/findings of the CEQA process. After completion of the CEQA process, the specific project shall return to the Agency Board for its consideration based upon the foregoing.

The Environmental Review Officer shall cause to be filed Notices of Exemption/Determination.

Item: \_\_\_\_\_  
CED Committee  
July 13, 2010

## PROJECT DESCRIPTION

### **Joint Infrastructure Development Account**

The Joint Infrastructure Development Fund is both a “housing keeping” item and a building block toward the development of infrastructure in partnership with the Port and AMB/CCG. Like the Joint Environmental Remediation Fund, the Infrastructure Fund is an administrative action, authorizing staff to transfer money from one fund to a newly established fund for accounting and tracking purposes. It also signals the Agency’s commitment to our partnership with the Port and AMB/CCG that we are now ready to “prime the pump” for major state, federal, and subsequently, private investments.

### **Cost Sharing Agreement**

The Cost Sharing Agreement is the engine that enables the use of TCIF funds. Agency and Port staff members have determined that it is best to use a stand-alone agreement rather than an amendment to the Amended and Restated Memorandum of Agreement (ARMOA) among the City, Agency and Port because of the possibility of including other parties, such as AMB/CCG, in the agreement. For the time-being, the Cost Sharing Agreement would be between the Agency and the Port, but could be amended without opening the ARMOA if needed.

The Cost Sharing Agreement as currently envisioned covers the following basic elements:

1. The Agency’s estimated commitment over a period of seven years is \$32,000,000. This commitment includes the \$5,700,000 already approved for the Joint Environmental Remediation Fund, the requested \$16,300,000 for the Joint Infrastructure Development Fund, and \$10,000,000 over seven years in net tax increment revenue. The transfer of tax increment funds to the Joint Infrastructure Remediation Fund will require Agency Board approval each time.
2. Project priorities for the design and eventual development of (a) the expanded rail, which is essential for the City’s new industrial district and the Port’s future success; (b) the build-out of Maritime Street, which is the utility “spine” for the East and Outer Harbor portions of the Base; (c) the build-out of Burma Road, which is the utility “spine” for the Central and West Areas, as well as the access road to the West Area and Shoreline and Gateway Parks; and (d) the 7<sup>th</sup> and Maritime Street Grade Separation project, which is essential for relieving congestion, reducing emissions, and enhancing safety for pedestrians and bicyclists.
3. The commitment of up to \$62,000,000 in TCIF investments for construction of Maritime Street, Burma Road, public utilities, and other projects specifically on Agency Army Base property.

Item: \_\_\_\_\_  
CED Committee  
July 13, 2010

4. The coordination of other fund development efforts with the Port and AMB/CCG, with a framework for how these new funds will be managed and invested to advance the project.

**Amendment to the AMB/CCG ENA**

The Agency, Port and AMB/CCG are working together on the processes needed to obtain requisite CEQA and NEPA clearance. Following is the current language in the ENA Schedule of Performance with AMB/CCG as it relates to CEQA:

**Current Item 6.0 in the Schedule of Performance**

TASK	PERFORMANCE TIME
<p>Developer shall retain environmental and professional design consultants, if necessary, to prepare an environmental site assessment, and all necessary environmental documentation required to conduct environmental review under the California Environmental Quality Act (CEQA) for the Project.</p> <p>Agency has the option of contracting directly with CEQA consultants and requiring Developer to pay their fees. Except as otherwise specifically provided for below, all environmental documents shall be prepared within the time periods required by CEQA.</p>	<p>Within 60 days of commencement of the Negotiation Period, the City, in its sole discretion, shall determine the best approach for obtaining CEQA and NEPA clearance to expedite development, subject to consultation with the Developer.</p>

Staff is recommending that “the best approach for obtaining CEQA and NEPA clearance to expedite development” at this phase of the project is to amend the ENA to provide that the Agency contract the environmental consultant and cover the costs associated with environmental review for the development of infrastructure and other public utility and street improvements.

The Agency has conducted an informal request for proposal (RFP) process in which the City of Oakland’s Environmental Review Officer (ERO) and a representative from AMB/CCG invited the top firms with past successful experience preparing CEQA and NEPA documents in the City to bid on performing environmental assessment and documentation for the Army Base. Four firms attended the pre-bid conference and all firms submitted written proposals. The ERO and AMB/CCG representative selected the top respondents to interview, and determined that LSA Associates, Inc. was the most qualified, responsive, and price competitive of the firms. A scope of work was negotiated with LSA. The estimated not-to-exceed amount for this work is \$360,000. The ENA amendment would specify that the Agency would pay for a portion of LSA’s NEPA/CEQA work, up to a maximum of \$240,000, and that AMB/CCG would continue to be responsible for all other costs of CEQA/NEPA review, (including without limitation one-third of the cost of the environmental consultant’s work up to the Agency’s maximum contribution, then 100% of the consultant’s work thereafter, and any and all costs of CEQA/NEPA review). AMB/CCG will make timely reimbursement payments to the Agency for

Item: \_\_\_\_\_  
 CED Committee  
 July 13, 2010



their share of the CEQA and NEPA work to be performed after receiving documentation and invoices from the Agency for work performed by the consultant.

Staff recommends that the Schedule of Performance be amended to permit the Agency's direct involvement in this phase of the CEQA and NEPA review, as follows:

TASK	PERFORMANCE TIME
<p>Developer shall retain, at its sole cost and expense, environmental and professional design consultants, if necessary, to prepare an environmental site assessment and/or review the CEQA/NEPA work of those actually preparing the CEQA/NEPA documents.</p> <p>The Agency may retain LSA Associates, Inc. (or another firm that prepares CEQA/NEPA documents) for the preparation of CEQA and NEPA reviews and reports in an amount not to exceed three hundred sixty thousand dollars (\$360,000).</p> <p>The Agency shall contribute the environmental reviews costs for LSA's work on the horizontal development, up to a maximum amount of \$240,000.</p> <p>AMB/CCG shall continue to be responsible for all other costs of CEQA/NEPA review (including without limitation at least one-third of LSA's work up to the Agency's maximum contribution of \$240,000; then 100% of the LSA's work thereafter, and any and all other costs of CEQA/NEPA review/compliance), and to make timely reimbursement payment to the Agency after receiving documentation and invoices from the Agency of the CEQA and NEPA work performed by LSA.</p>	<p>Within 60 days of commencement of the Negotiation Period, the City, in its sole discretion, shall determine the best approach for obtaining CEQA and NEPA clearance to expedite development, subject to consultation with the Developer.</p>

**North and West Gateway Areas**

The North and West Gateway Areas are not within the boundaries for the Port's TCIF allocation. The Joint Infrastructure Development Fund and Cost Sharing Agreement do not at this time take the development of those two Areas into account.

That said, Agency staff is considering options for preparing the North Area for development simultaneously with the East and Central Areas. New utilities installed in the East and Central Gateway Areas will serve the North and West Areas. Sequencing and phasing will be critical for the success of the entire Army Base project. Contemplated uses for the North Area are no less important than the East and Central. Staff will continue to work on maximizing revenue generating opportunities on the former Army Base beyond the Reinvestment Period to support development of the North and West Areas. Lease, utility, land sale, and grant proceeds are all being contemplated to raise the required funds needed to prepare the North Area for development.

The West Area is the last phase being considered for development. At this juncture, there has been limited thought and time invested in its development, which cannot occur until Caltrans completes construction of the new Bay Bridge and deconstructs the old bridge. That will not happen until 2015 or beyond.

**SUSTAINABLE OPPORTUNITIES**

**Economic:** The redevelopment of the former Oakland Army Base will create thousands of temporary and permanent jobs, substantially increase the City's tax base, and support the long-term competitiveness of the Port of Oakland.

**Environmental:** The improvements planned for the development of the former Army Base will reduce air pollution with the expansion of rail service and the improvement of major intersections. The Agency will ensure that development projects adhere to the City's sustainable development guidelines, which include criteria for green building technologies, site selection and preparation, water, energy, indoor environmental quality and human health factors, materials selection with recycled content or health considerations, and waste and recycling procedures.

**Social Equity:** Social equity is ensured through the City's and Port's local hiring and contracting requirements. Community benefits associated with the project will be substantial, including contributions to the West Oakland Community Fund and support for workforce development programs. Staff will return to the Agency Board at a later date with options and recommendations for how to meet most effectively the Agency's, Port's and master developer's community benefits goals and priorities.

## **DISABILITY AND SENIOR CITIZEN ACCESS**

Any projects and programs implemented in this project area will be required to comply with applicable City, State, and Federal disabled access requirements.

## **RECOMMENDATION(S) AND RATIONALE**

1. Staff recommends that the Agency Board adopt the Resolution authorizing the establishment of a Joint Infrastructure Development Fund for the development of infrastructure, public utilities, and public streets on the former Oakland Army Base in the initial amount of sixteen million three hundred thousand dollars (\$16,300,000).

The fund balance from the Leasing and Utility program must be reinvested for the economic redevelopment of the former Army Base. This investment will generate substantial matching state and federal funds for construction, which cannot occur without the requisite environmental clearance and detailed designs for priority projects.

2. Staff recommends that the Agency Board adopt the Resolution authorizing the Agency Administrator to negotiate and execute, without returning to the Agency Board, a Cost Sharing Agreement between the Redevelopment Agency and the Port of Oakland for the development of infrastructure, public utilities and public streets on the former Oakland Army Base committing a total of thirty-two million dollars (\$32,000,000) of Agency funds to the development.

The Cost Sharing agreement is an essential administrative mechanism for guaranteeing a substantial amount of funding from the Port through its TCIF allocation for the construction of public improvements and development on Agency property.


3. Staff recommends that the Agency Board authorize (a) an amendment to the Exclusive Negotiating Agreement with AMB/CCG allowing the Agency to contribute a maximum amount of \$240,000, toward completing required CEQA and NEPA work and (b) a waiver of the advertising and RFP process and an award of a contract in an amount not to exceed \$360,000 to LSA Associates, Inc. for required CEQA and NEPA reviews and reports.

Agency staff is recommending that the best approach for obtaining CEQA and NEPA clearance to expedite development at this phase of the project is to cover the estimated costs associated with the development of infrastructure and other public improvements, with the developer paying for costs associated with vertical development.

**ACTION REQUESTED OF THE CITY COUNCIL**

Staff requests that the Agency Board adopt the three Resolutions.

Respectfully submitted,



Walter S. Cohen, Director  
Community and Economic Development Agency

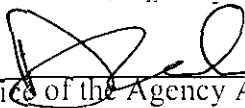
Reviewed by:

for *P 12*  
Gregory Hunter, Deputy Director of Economic  
Development and Redevelopment

Prepared by:

Al Auletta, Redevelopment Area Manager

**FORWARDED TO THE  
COMMUNITY AND ECONOMIC DEVELOPMENT COMMITTEE:**



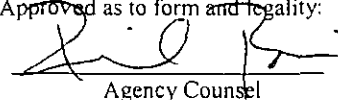
Office of the Agency Administrator

Item: \_\_\_\_\_  
CED Committee  
July 13, 2010

FILED  
OFFICE OF THE CITY CLERK  
OAKLAND

2010 JUN 30 PM 6:54

Approved as to form and legality:

  
Agency Counsel

*A. DiATTE MILNER*

**REDEVELOPMENT AGENCY  
OF THE CITY OF OAKLAND**

RESOLUTION No. \_\_\_\_\_ C.M.S

**RESOLUTION AUTHORIZING THE ESTABLISHMENT OF A  
JOINT INFRASTRUCTURE DEVELOPMENT FUND IN THE  
INITIAL AMOUNT OF SIXTEEN MILLION AND THREE  
HUNDRED THOUSAND DOLLARS (\$16,300,000) FOR THE  
DEVELOPMENT OF INFRASTRUCTURE, PUBLIC UTILITIES  
AND PUBLIC STREETS ON THE FORMER OAKLAND ARMY  
BASE**

**WHEREAS**, the Department of the Army conveyed the former Oakland Army Base to the Oakland Base Reuse Authority pursuant to an Economic Development Conveyance Memorandum of Agreement (EDC MOA); and

**WHEREAS**, the Oakland Base Reuse Authority transferred all its rights and obligations to the former Oakland Army Base to the Redevelopment Agency in 2006; and

**WHEREAS**, the EDC MOA includes provisions for the reinvestment of proceeds generated on the former Army Base for the specified and general purposes of economic redevelopment of the former Army Base for a period of seven years ("Reinvestment Period"); and

**WHEREAS**, the Reinvestment Period is scheduled to terminate in August 2010, after which the Redevelopment Agency must demonstrate that Army Base's restricted net proceeds have been invested for the purposes of the economic redevelopment of the former Army Base; and

**WHEREAS**, the Oakland Army Base Reuse Plan and 2002 Environmental Impact Report document the need to install all new public utilities and streets to serve new development of the former Oakland Army Base; now, therefore be it

**RESOLVED:** That the Agency Administrator is authorized to establish a new Joint Infrastructure Development Fund with an initial transfer of \$16,300,000 from Fund 9575 and Fund 9570, including Unreserved Fund Balances from Funds 9575 and 9570, for the purposes of infrastructure and public improvement planning, environmental

review and documentation, design, construction drawings, construction and other economic redevelopment activities on the former Army Base; and be it

**FURTHER RESOLVED:** That staff is authorized to establish new projects in the Joint Infrastructure Development Fund for specific obligations, such as the development of the Shoreline Park by way of the design and construction of Burma Road, design and construction work on Tideland Trust encumbered land in the eastern area of the former Army Base, development of infrastructure and public improvements on the former Oakland Army Base, and other projects as needed for planning, design and construction of the east and central areas of the former Army Base; and be it

**FURTHER RESOLVED:** This action complies with the requirements of the California Environmental Quality Act (CEQA) for the reasons stated in the Agency Board Agenda Report, and the Environmental Review Officer shall cause to be filed appropriate Notices of Exemption/Determination; and be it

**FURTHER RESOLVED:** That the Agency Administrator is authorized to take whatever action is necessary with respect to establishing the Joint Infrastructure Development Fund consistent with this Resolution and its basic purposes.

IN AGENCY, OAKLAND, CALIFORNIA, \_\_\_\_\_, 2010

**PASSED BY THE FOLLOWING VOTE:**

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

NOES –

ABSENT –

ABSTENTION –

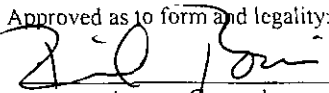
ATTEST:

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

FILED  
OFFICE OF THE CITY CLERK  
OAKLAND

2010 JUN 30 PM 6:54

Approved as to form and legality:

  
Agency Counsel

FOR DENISE MILLER

**REDEVELOPMENT AGENCY  
OF THE CITY OF OAKLAND**

RESOLUTION No. \_\_\_\_\_ C.M.S

---

**RESOLUTION AUTHORIZING THE AGENCY ADMINISTRATOR, WITHOUT RETURNING TO THE AGENCY BOARD, TO NEGOTIATE AND EXECUTE A COST SHARING AGREEMENT BETWEEN THE REDEVELOPMENT AGENCY AND THE PORT OF OAKLAND FOR THE DEVELOPMENT OF INFRASTRUCTURE, PUBLIC UTILITIES, AND PUBLIC STREETS ON THE FORMER OAKLAND ARMY BASE COMMITTING A TOTAL OF NO MORE THAN THIRTY-TWO MILLION DOLLARS (\$32,000,000) OF AGENCY FUNDS TO THE DEVELOPMENT**

**WHEREAS**, the Redevelopment Agency and the Port of Oakland own respective parcels of the former Oakland Army Base; and

**WHEREAS**, the Oakland Army Base Reuse Plan and 2002 Environmental Impact Report document the need to install all new public utilities and streets to serve new development of the former Oakland Army Base; and

**WHEREAS**, the cost for new rail and street systems, utilities, streets, open space, and safe public access is estimated on a rough order of magnitude at \$525,000,000; and

**WHEREAS**, the Agency and the Port of Oakland plan to negotiate and execute a Cost Sharing Agreement for infrastructure development and other improvements on the former Army Base that may commit the Agency to invest up to a maximum of \$32,000,000 in Army Base Lease and Utility and Redevelopment Area funds, and the Port to invest up to \$243,000,000 in Trade Corridor Improvement Funds (TCIF); and

**WHEREAS**, a specific portion of the Port's TCIF allocation will be negotiated through the Cost Sharing Agreement to directly support construction work for public streets, public utilities and the preparation of the Agency's portion of the East and Central Gateway Areas of the former Army Base up to \$62,000,000; and

**WHEREAS,** the investments of public funds to improve rail and surface transportation systems and public utilities is essential to attract private investment for the development of the former Army Base to its best and highest use; now, therefore be it

**RESOLVED:** That the Agency Administrator is authorized to negotiate and execute, without returning to the Agency Board, a Cost Sharing Agreement with the Port of Oakland for the development of infrastructure and other improvements on the former Oakland Army Base committing a total of no more than thirty-two million dollars (\$32,000,000) of Agency funds to the development; and be it

**FURTHER RESOLVED:** This action complies with the California Environmental Quality Act (CEQA) for the reasons stated in the Agency Board Agenda Report, and the Environmental Review Officer shall cause to be filed appropriate Notices of Exemption/Determination; and be it

**FURTHER RESOLVED:** That the Agency Administrator is authorized to take whatever action is necessary with respect to negotiating and executing a Cost Sharing Agreement with the Port of Oakland in support of the development of public improvements on the former Oakland Army Base consistent with this Resolution and its basic purposes.

IN AGENCY, OAKLAND, CALIFORNIA, \_\_\_\_\_, 2010

**PASSED BY THE FOLLOWING VOTE:**

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

NOES –

ABSENT –

ABSTENTION –

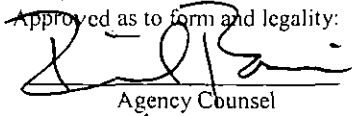
ATTEST:

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



FILED  
OFFICE OF THE CITY CLERK  
OAKLAND  
2010 JUN 30 PM 6:54

Approved as to form and legality:



Agency Counsel

*for Dianna M. [unclear]*

**REDEVELOPMENT AGENCY  
OF THE CITY OF OAKLAND**

RESOLUTION No. \_\_\_\_\_ C.M.S

**RESOLUTION AUTHORIZING**

**(A) AN AMENDMENT TO THE EXCLUSIVE NEGOTIATING AGREEMENT WITH AMB PROPERTY CORPORATION/CALIFORNIA CAPITAL GROUP (AMB/CCG) TO REFLECT THAT THE AGENCY, THROUGH ITS JOINT INFRASTRUCTURE DEVELOPMENT FUND ESTABLISHED FOR THE DEVELOPMENT OF THE FORMER OAKLAND ARMY BASE, SHALL CONTRIBUTE UP TO A MAXIMUM AMOUNT OF \$240,000 FOR REQUIRED CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) AND NATIONAL ENVIRONMENTAL POLICY ACT (NEPA) REVIEWS AND REPORTS FOR THE CONSTRUCTION OF INFRASTRUCTURE, PUBLIC UTILITIES, AND PUBLIC STREETS ON THE FORMER ARMY BASE AND**

**(B) A WAIVER OF THE ADVERTISING AND REQUEST FOR PROPOSAL/QUALIFICATIONS PROCESS AND AN AWARD OF A CONTRACT TO LSA ASSOCIATES, INC. (LSA) FOR THE PROVISION OF REQUIRED CEQA AND NEPA REVIEWS AND REPORTS IN AN AMOUNT NOT-TO-EXCEED \$360,000**

**WHEREAS**, the Oakland Army Base Reuse Plan and 2002 Environmental Impact Report document the need to install all new public utilities and streets to serve new development of the former Oakland Army Base; and

**WHEREAS**, the National Environmental Policy Act's (NEPA) 2001 Environmental Impact Statement and the 2002 California Environmental Quality Act's (CEQA) Environmental Impact Report and subsequent Supplement Environmental Impact Reports in 2006 and 2007 must be updated prior to obtaining final approval for the redevelopment of former Oakland Army Base; and

**WHEREAS**, the Agency has previously executed an Exclusive Negotiating Agreement (ENA) with AMB Property Corporation/California Capital Group

(AMB/CCG) regarding potential redevelopment of a portion of the former Army Base; and

**WHEREAS**, the ENA requires AMB/CCG to pay all costs of environmental compliance, including compliance with CEQA and NEPA, regarding its development proposal; and

**WHEREAS**, although CEQA and NEPA reviews were performed in 2001 and 2002, additional CEQA and NEPA reviews are necessary; and

**WHEREAS**, the Agency's ability to attract federal funding for the Army Base project depends on having the required NEPA review, which typically takes six to nine months, or more, to complete; and

**WHEREAS**, the estimated costs associated with constructing public infrastructure improvements (e.g., public utilities, streets and other infrastructure improvements on the Army Base; herein called "horizontal development") currently is estimated as two-thirds of the total construction costs of the project, with the remaining estimated one-third of costs attributable to the construction of actual buildings, other development structures, and related improvements (e.g., the "vertical development") for the project; and

**WHEREAS**, the Agency has determined that the best approach for obtaining CEQA and NEPA clearance to expedite development at this phase of the project is to amend the ENA to provide that the Agency cover two-thirds of estimated environmental reviews costs for LSA's work on the horizontal development, up to a maximum amount of \$240,000; and

**WHEREAS**, AMB/CCG will continue to be responsible for all other costs of CEQA/NEPA review and shall make timely reimbursement payment to the Agency after receiving documentation and invoices from the Agency of the CEQA and NEPA work performed by LSA; and

**WHEREAS**, Oakland Municipal Code section 2.04.051.A requires staff to conduct an advertised request for proposal/qualifications (RFP) process to purchase professional services in excess of \$25,000; and

**WHEREAS**, Oakland Municipal Code section 2.04.051.B permits the Agency Board to waive advertising and the request for proposal/qualifications process upon a finding that it is in the best interests of the Agency to do so; and

**WHEREAS**, the Agency conducted an informal, competitive RFP process through the City of Oakland Environmental Review Officer (ERO) and a representative from AMB/CCG, who invited firms with past successful experience in preparing CEQA and NEPA documents in the City of Oakland to submit written proposals and interviewed

the top responding firms, which resulted in LSA being selected as the most qualified, responsive and most price competitive bidder to conduct the work; and

**WHEREAS**, it is in the Agency's best interests to waive advertising and the request for proposals/qualifications process for this work and award the work to LSA Associates, Inc. because they are the most qualified firm to respond the informal RFP and time is of the essence to complete the required CEQA and NEPA reviews and reports to be eligible for state and federal funding for the development of infrastructure and public improvements; and

**WHEREAS**, the Agency Administrator has determined that services to be provided are professional, scientific or technical and temporary in nature and shall not result in the loss of employment or salary by any person having permanent status in the competitive service; now, therefore, be it

**RESOLVED:** That the Agency Administrator is authorized to execute an amendment to the ENA:

(1) which requires the Agency contribute two-thirds of the estimated environmental reviews costs for LSA's work on the horizontal development, up to a maximum amount of \$240,000; and

(2) which requires AMB/CCG to continue to be responsible for all other costs of CEQA/NEPA review (including without limitation one-third of LSA's work up to the Agency's maximum contribution, then 100% of the LSA's work thereafter, and any and all other costs of CEQA/NEPA review), and to make timely reimbursement payment to the Agency after receiving documentation and invoices from the Agency of the CEQA and NEPA work performed by LSA; and be it

**FURTHER RESOLVED:** That any Agency contribution must be funded from the Agency's Joint Infrastructure Development Fund previously established for the development of the former Oakland Army Base; and be it

**FURTHER RESOLVED:** That based on the reasons provided above and in the agenda report accompanying this Resolution and pursuant to Oakland Municipal Code section 2.04.051.B, the Agency Board finds that it is in the Agency's best interests to waive the advertising and request for proposals/qualifications required under Oakland Municipal Code section 2.04.051.A for the purchase of professional services and so waives the requirements; and be it

**FURTHER RESOLVED:** That the Agency Board authorizes waiving advertising and the request for proposals/qualifications process and awarding a contract to LSA for the provision of required CEQA and NEPA reviews and reports in an amount not-to-exceed \$360,000; and be it