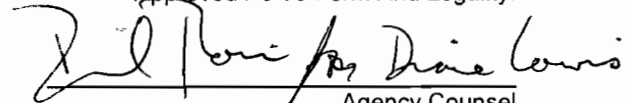


FILED  
OFFICE OF THE CITY CLERK  
OAKLAND

2010 MAY 13 PM 1:41

Approved As To Form And Legality:

  
Agency Counsel

REDEVELOPMENT AGENCY  
OF THE CITY OF OAKLAND

2010 - 0070  
RESOLUTION No. \_\_\_\_\_ C.M.S.

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**A Resolution Authorizing the Agency Administrator to Enter into a Sublease with the City of Oakland for the George P. Scotlan Memorial Convention Center for a Term of Up To 12 years for Total Lease Payments of \$2,000,000 in Fiscal Year 2009/10 and \$2,000,000 in Fiscal Year 2010/11**

**WHEREAS**, the City of Oakland ("City") leases the George P. Scotlan Memorial Convention Center, which includes an adjacent public parking garage (the "Convention Center Facilities"), located at 550 10<sup>th</sup> Street in the Central District Redevelopment Project Area and more fully described in Exhibit A from the Joint Powers Financing Authority; and

**WHEREAS**, California Health and Safety Code Section 33220 authorizes any public body, with or without consideration, to sell or lease property to a redevelopment agency to promote redevelopment projects; and

**WHEREAS**, California Health and Safety Code Section 33391 authorizes a redevelopment agency to purchase or lease any real property within a project area for the purposes of redevelopment; and

**WHEREAS**, the Redevelopment Agency of the City of Oakland ("Agency") desires to sublease the Convention Center Facilities from the City for redevelopment purposes for a term of up to 12 years or from June 15, 2010 to June 12, 2022; and

**WHEREAS**, the City budgets a \$720,000 annual subsidy for Convention Center Facilities operations, paid from the General Fund, which pays for utility costs and a \$45,000 property management fee, and which payment was included as revenue in the calculation for the Agency's lease payments to the City over the 12-year term of the sublease; and

**WHEREAS**, the Agency will make two lease payments of \$2,000,000 each in Fiscal Year 2009-10 and Fiscal Year 2010-11 to the City, which equal the present value of the estimated future net cash flow to be generated by the Convention Center Facilities until June 14,

2022, including the annual revenue of \$720,000 provided by the City for the Convention Center; and

**WHEREAS**, the Agency proposes to sublease the Convention Center Facilities from the City to develop appropriate marketing strategies and a capital improvement program for the renovation and modernization of the aging facility in order to enhance its appearance, marketability and long-term economic success; and

**WHEREAS**, this redevelopment effort will reduce blight and complement other successful development activities in the Central District Project Area and strengthen the Project Area's existing role as a center for administrative, financial, business service and governmental activities; and

**WHEREAS**, the term of the sublease with the Agency of up to 12 years will be contingent on approval by the City Council of an amendment to the Central District Project Area's Redevelopment Plan to extend the time limit on (1) plan activities by 10 years from June 12, 2012 to June 12, 2022, and (2) receipt of its tax increment by 10 years from June 12, 2022, to June 12, 2032, as authorized by redevelopment law, and that absent this approval, the sublease will automatically terminate on June 12, 2012; and

**WHEREAS**, the City must comply with the terms of the Second Amended and Restated Lease and Sublease Agreement Relating to the Henry J. Kaiser Convention Center and the Convention Center-George P. Scotlan Memorial in order to sublease its interests in the Convention Center Facilities; and

**WHEREAS**, the requirements of the California Environmental Quality Act of 1970 ("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; and

**WHEREAS**, Agency funds for these payments will be available as follows: \$3,000,000 will be allocated from the Agency's Central District Tax Allocation Bond Series 2009T Funds (Fund 9536), Capital Improvement Project – Economic Development Organization (#94800), Central District Public Facilities Capital Projects 2009 (Project T314550); \$900,000 will be allocated in the Agency's Chinatown: Parking Lot Fund (Fund 9515), Capital Improvement Project – Economic Development Organization (#94800), Central District Public Facilities Capital Projects (Project T314530); and \$100,000 will be allocated in the Agency's Unrestricted Land Sales Proceeds Fund (Fund 9553), Capital Improvement Project – Economic Development Organization (#94800), Central District Public Facilities Capital Projects 9553 (Project T314540); now, therefore, be it

**RESOLVED:** That the Agency hereby finds and determines that the capital improvement program for the renovation and modernization of the aging Convention Center Facilities will enhance the Facilities' appearance, marketability and long-term economic success, and will reduce blight in the redevelopment project area and complement other successful development activities in the Central District Redevelopment Project Area; and be it

**FURTHER RESOLVED:** That the Agency hereby authorizes the sublease of the Convention Center Facilities from the City for a term of up to 12 years for two lease payments to the City of \$2,000,000 each in Fiscal Year 2009-10 and Fiscal Year 2010-11, which equal the present value of the estimated future net cash flow to be generated by the Convention Center Facilities until June 12, 2022, including the revenue provided by the City in the form of its annual subsidy of \$720,000 to the Convention Center; and be it

**FURTHER RESOLVED:** That the sublease is contingent on final City adoption of an ordinance authorizing the transaction, approval of a resolution by the Oakland Joint Powers Financing Authority, and City compliance with requirements for subleasing set forth in the Second Amended and Restated Lease and Sublease Agreement Relating to the Henry J. Kaiser Convention Center and the Convention Center-George P. Scotlan Memorial; and be it

**FURTHER RESOLVED:** The City agrees that the term of the sublease with the Agency of up to 12 years will be contingent on adoption by the City Council of an amendment to the Central District Urban Renewal Plan (the "Plan") to extend the time limit on plan activities and receipt of tax increment by 10 years, as authorized by redevelopment law, and that absent this approval, the sublease will automatically terminate upon termination of Plan activities; and be it

**FURTHER RESOLVED:** That funding for the sublease payments are available as follows: \$3,000,000 will be allocated from the Agency's Central District Tax Allocation Bond Series 2009T Funds (Fund 9536), Capital Improvement Project – Economic Development Organization (#94800), Central District Public Facilities Capital Projects 2009 (Project T314550); \$900,000 will be allocated in the Agency's Chinatown: Parking Lot Fund (Fund 9515), Capital Improvement Project – Economic Development Organization (#94800), Central District Public Facilities Capital Projects 9515 (Project T314530); and \$100,000 will be allocated in the Agency's Unrestricted Land Sales Proceeds Fund (Fund 9553), Capital Improvement Project – Economic Development Organization (#94800), Central District Public Facilities Capital Projects 9553 (Project T314540); and be it

**FURTHER RESOLVED:** That the Agency Administrator or his designee is hereby authorized to negotiate and execute, modify, amend, extend and/or terminate the sublease, management agreements and other documents necessary for the sublease of the Convention Center Facilities, consistent with this Resolution and its basic purposes; and be it

**FURTHER RESOLVED:** That the Agency has independently reviewed and considered this environmental determination, and the Agency finds and determines, based on the information in the staff report accompanying this Resolution, that this action complies with CEQA because this action on the part of the Agency is exempt from CEQA pursuant to Section 15061(b)(3) (no possibility of significant environmental impact), and Section 15301(d) (existing facilities) of the CEQA Guidelines; and be it

**FURTHER RESOLVED:** That the Agency Administrator, or his designee, shall cause to be filed with the County of Alameda a Notice of exemption for this action; and be it

**FURTHER RESOLVED:** That any and all documents necessary to effectuate the intent of this Resolution shall be reviewed and approved as to form and legality by the Agency Counsel prior to execution by the Agency Administrator or his designee and a copy shall be filed with the Secretary of the Redevelopment Agency.

IN AGENCY, OAKLAND, CALIFORNIA, JUN 1 2010, 2010

**PASSED BY THE FOLLOWING VOTE:**

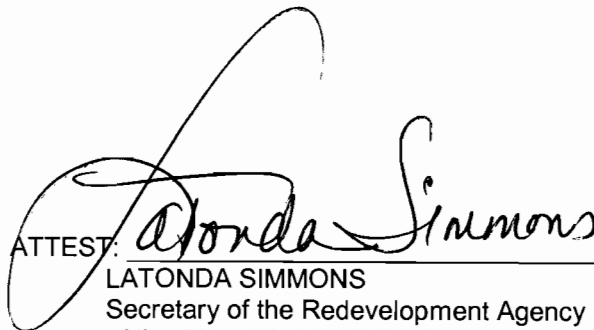
AYES- BROOKS, DE LA FUENTE, ~~BRUNNER~~, KERNIGHAN, NADEL, QUAN, REID AND  
CHAIRPERSON BRUNNER - 7

NOES- 0

ABSENT- 0

ABSTENTION- Kaplan - 1

ATTEST:



LATONDA SIMMONS

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

## **EXHIBIT A**

The Area shaded in gray on the attached Description of the Real Property encompasses  
the Convention Center Facilities

