

FILED
OFFICE OF THE CITY CLERK
OAKLAND

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

2009 OCT 15 PM 3:21

TO: Office of the Agency Administrator
ATTN: Dan Lindheim
FROM: Community and Economic Development Agency
DATE: October 27, 2009

RE: An Agency Resolution Authorizing The Purchase Of Real Property At 2759 Foothill Boulevard, in the Central City East Redevelopment Project Area, From Christian Evangelical Churches of America Inc., For \$240,000, Less the Cost of Any Environmental Site Remediation, And Authorizing Up To \$85,000 for Demolition And Real Estate Closing Costs

SUMMARY

Staff is requesting approval by the Oakland Redevelopment Agency (the "Agency") to purchase the property located at 2759 Foothill Boulevard, Oakland (Assessor's Parcel Number 025-0733-008-03) (the "Property"), through a negotiated sales agreement. The purchase will facilitate the improvement and future development of this location. The subject Property, identified in *Exhibit A* to the proposed resolution, is owned by Christian Evangelical Churches of America Inc., and is located in the Central City East Redevelopment Project Area, in City Council District 5. The Agency has completed the purchase of the adjacent property located at 2777 Foothill Boulevard in order to create a suitable site for a future commercial development. The Agency issued and received Central City East Series 2006A Taxable Bonds for the acquisition of underutilized and blighted properties in the Central City East ("CCE") area. Staff recommends that the Agency adopt the attached resolution to authorize the acquisition of the subject Property. This item was recommended for acquisition by the Central City East Redevelopment Project Area Committee ("PAC") on September 14, 2009.

FISCAL IMPACT

Agency funding sources for this acquisition: \$240,000 plus an additional \$85,000 for demolition and customary real estate closing costs 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).

BACKGROUND

The acquisition of the subject property is an opportunity purchase. The Property is located near an important commercial intersection of Foothill Boulevard and Fruitvale Avenue and covers approximately 4,626 square feet. The Redevelopment Agency was contacted by the owner for possible acquisition. Through a negotiation process an option purchase agreement was negotiated to acquire the property at the appraised price of \$240,000.

Item: _____
Community and Economic Development Committee
October 27, 2009

KEY ISSUES AND IMPACTS

The subject property is located in Central Oakland in an area commonly known as the San Antonio/Fruitvale district. The district is extremely vibrant and has steadily grown in size over the last two decades. There is minimal vacancy in storefronts between 29th Avenue and 42nd Avenue along International Boulevard and Foothill Boulevard, which feature a wide variety of locally owned businesses. There has been a significant degree of "smart growth" type development in the district in the form of large multi-use projects centered on the BART station, known as Fruitvale Village. The immediate objective of the acquisition is land banking. In 2008, the Agency acquired a critical corner parcel located at 2777 Foothill Boulevard, adjacent to this location. By combining the parcel at 2777 Foothill and the subject property, the Agency will create a new parcel of approximately 22,440 square feet that can contribute to redevelopment efforts in the Central City East Redevelopment Project Area. All off-site improvements and public utilities are available at the location.

The Property was appraised by an independent contract appraiser and a fair market value offer to purchase was made to the property owner. The property owner has agreed to enter into an option purchase agreement to sell the Property to the Agency for a total of \$240,000 plus demolition and closing costs which are estimated at approximately \$85,000. The negotiated sales price includes an additional non-refundable option fee of \$5,000, which will be credited toward the purchase price once the option is executed. The option agreement allows the Agency to control the site until the Agency can make a determination on the purchase of the Property. If the Agency approves the Resolution, after the completion of environmental investigation, the acquisition is expected to commence immediately and should be completed by the end of January of 2010. Staff has completed a Phase I environmental investigation of the Property. The acquisition of the Property presents a unique opportunity to gain site control for the implementation of the Central City East Redevelopment Plan to reuse underutilized and blighted building sites and revitalize the surrounding community.

PROJECT DESCRIPTION

The Property consists of an interior lot encompassing a total of about 4,626 square feet, improved with a small industrial building of 1,621 square feet with frontage on Foothill Boulevard. The topography is level and the frontage is improved with sidewalks, curbs, gutters, and a storm drain. The Property is zoned C-30 District Thoroughfare Commercial Zone. The zoning allows for a wide range of retail uses that are typically found along a major thoroughfare. The highest and best use for the Property at this time would be a retail project or a mixed-use project with a residential component on the site. A proposed mixed-use development would include the parcel to be acquired in this transaction plus the adjacent Agency-owned parcel at 2777 Foothill, for a 22,440 square feet ground floor area. In addition to the retail, the site could support up to 50-55 residential units at an average size of 400 square feet per unit and each unit would require off-street parking.

Item: _____

SUSTAINABLE OPPORTUNITIES

Economic: In its present condition the subject Property makes a minimal economic contribution to the area. The property houses the Church's small metal fabrication shop and a warehouse for storage. Future projects at this location, such as a commercial retail center, will improve neighborhood conditions, address the needs of the residents, and increase tax increments. Such projects will make the area more attractive to current and prospective residents, as well as businesses that can provide employment in the City of Oakland.

Environmental: The acquisition of the subject Property and future development at this location is expected to create an attractive addition to the community, stimulating further neighborhood infill development. The contractors of all future infill projects will be required to make every effort to reuse clean fill materials and recyclable concrete and asphalt products.

Social Equity: The proposed acquisition and potential development will provide further positive stimulus to the local neighborhoods. This future development will be a welcomed contribution to the continued safety, growth, and stability of the neighborhood.

DISABILITY AND SENIOR CITIZEN ACCESS

There is no impact on access for senior citizens or the disabled from this proposed action.

RECOMMENDATION AND RATIONALE

Staff recommends that the Agency adopt the Resolution authorizing the purchase of real property at 2759 Foothill Boulevard, in the Central City East Redevelopment Project from Christian Evangelical Churches of America Inc., for \$240,000, less the cost of any environmental site remediation, and authorizing up to \$85,000 for demolition and real estate closing costs. Approving the Agency Resolution will further the objectives of the Central City East Redevelopment Plan to improve the district with positive economic stimulus, thereby creating better communities for residents.

ACTION REQUESTED OF CITY COUNCIL

The Agency is requested to adopt the Resolution authorizing the purchase of real property at 2759 Foothill Boulevard, in the Central City East Redevelopment Project Area from Christian Evangelical Churches of America Inc., for \$240,000, less the cost of any environmental site remediation, and authorizing up to \$85,000 for demolition and real estate closing costs.

Respectfully submitted:



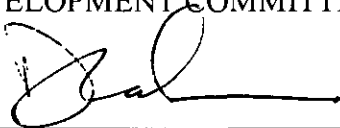
Walter S. Cohen, Director
Community and Economic Development Agency

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

Reviewed by: Frank Fanelli, Manager
Real Estate Services Division

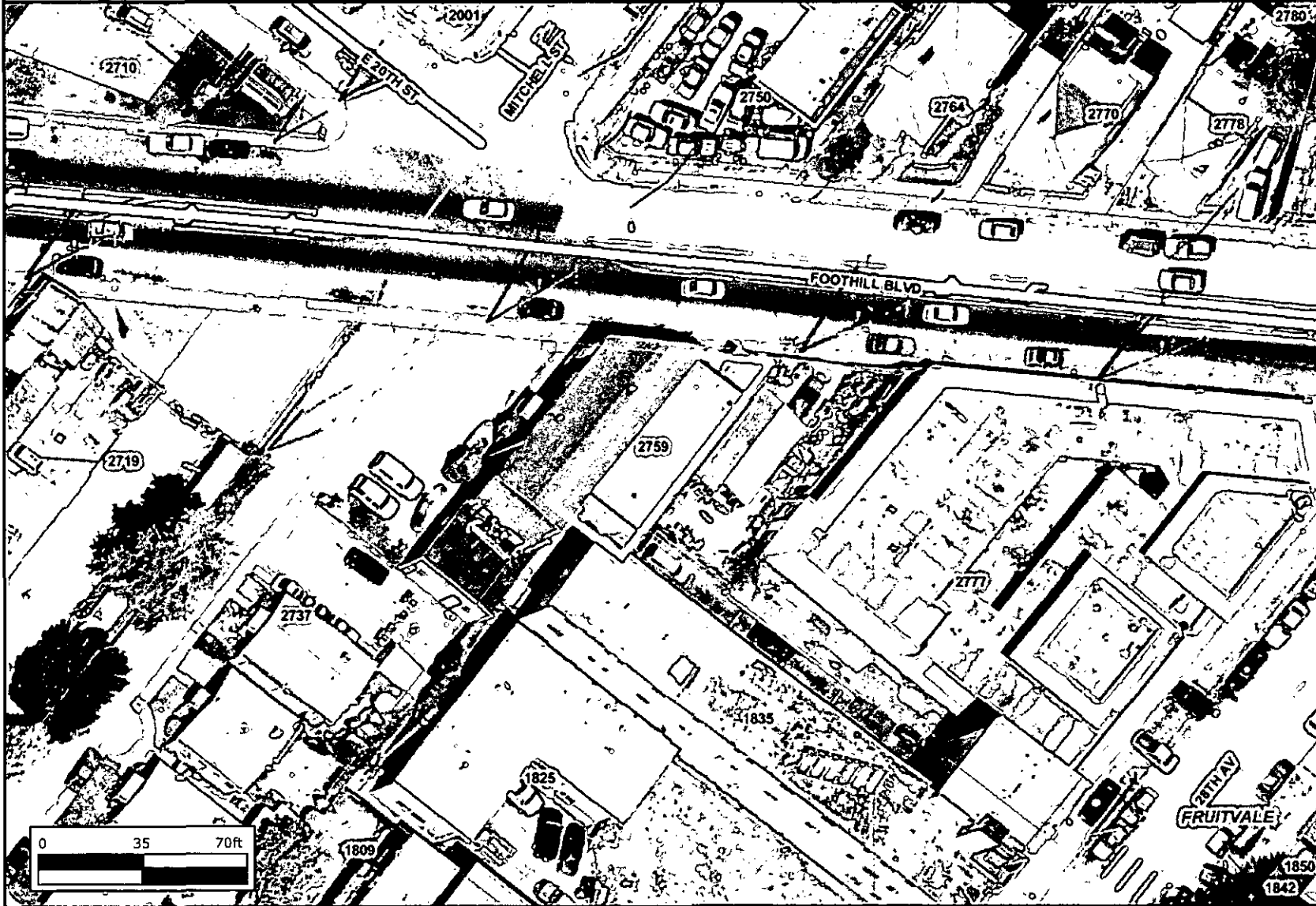
Prepared by: Hamid Ghaemmaghami
Real Estate Agent
Real Estate Services Division

APPROVED AND FORWARDED TO
THE COMMUNITY AND ECONOMIC
DEVELOPMENT COMMITTEE:











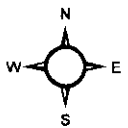
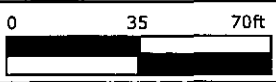
Office of the Agency Administrator

Attachment "A" Aerial Map 2759 Foothill Blvd



Legend

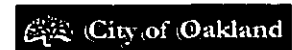
-  Selected Features
-  City Limits
-  Parcels
-  Freeways
-  Major Sts
-  Streets
-  Water
-  Land



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: 10/8/2009 10:03:27 AM



FILED
OFFICE OF THE CITY CLERK
OAKLAND

2009 OCT 15 PM 3:21

APPROVED AS TO FORM AND LEGALITY:



Agency Counsel

REDEVELOPMENT AGENCY OF THE CITY OF OAKLAND

RESOLUTION NO. _____ C.M.S.

AN AGENCY RESOLUTION AUTHORIZING THE PURCHASE OF REAL PROPERTY AT 2759 FOOTHILL BOULEVARD, IN THE CENTRAL CITY EAST REDEVELOPMENT PROJECT AREA, FROM CHRISTIAN EVANGELICAL CHURCHES OF AMERICA INC., FOR \$240,000, LESS THE COST OF ANY ENVIRONMENTAL SITE REMEDIATION, AND AUTHORIZING UP TO \$85,000 FOR DEMOLITION AND REAL ESTATE CLOSING COSTS.

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 area; and

WHEREAS, the Redevelopment Agency of the City of Oakland (the "Agency") is implementing projects in the Central City East Redevelopment Project Area as part of the Redevelopment Plan to improve the Redevelopment Area; 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, the real property located at 2759 Foothill Boulevard, depicted on Exhibit "A" attached hereto (Assessor's Parcel Number 025-0733-008-03) (the "Property") is within the Central City East Redevelopment Project Area in Oakland; and

WHEREAS, the Property, encompassing approximately 4,626 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, Christian Evangelical Churches Of America Inc., the owner, offered to sell the Properties to the Agency at fair market value of \$240,000 minus the cost of site remediation, to assist the Agency in its redevelopment efforts in the Central City East Redevelopment Project Area; and

WHEREAS, the sale by the owner was not induced, the sale price is at fair 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 rights for \$240,000, less any site remediation costs; and

WHEREAS, the cost of demolition and real estate closing is estimated to be \$85,000; and

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

WHEREAS, the 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), Central City East Land Acquisition Project (S233351); and

WHEREAS, the Central City East Redevelopment Project Area Committee has made a recommendation to the Agency to 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 Property located at 2759 Foothill Boulevard for an amount not exceed \$240,000, and authorizes \$85,000 for costs of demolition and real estate closing; and be it

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

1. That the funding of the acquisition of 2759 Foothill Boulevard from redevelopment funds will benefit the Central City East Redevelopment Project Area by creating future development opportunities to better serve area residents and businesses and improve physical conditions in the Central City East Redevelopment Project Area;
2. That the use of tax increment funds from the Central City East Redevelopment Project Area for the purchase is consistent with the implementation plan adopted for the Central City East Project Area and will assist in the elimination of blight in the Project Area by redeveloping underutilized parcels; and be it

FURTHER RESOLVED: That funds will be allocated from Central City East Tax Allocation Bond Series 2006A-T (Taxable) Bonds Fund (9543), Central City East Organization (88699), Central City East Land Acquisition Project (S233351); 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 Agency funding of 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.

IN AGENCY, OAKLAND, CALIFORNIA, _____, 2009

PASSED BY THE FOLLOWING VOTE:

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

NOES-

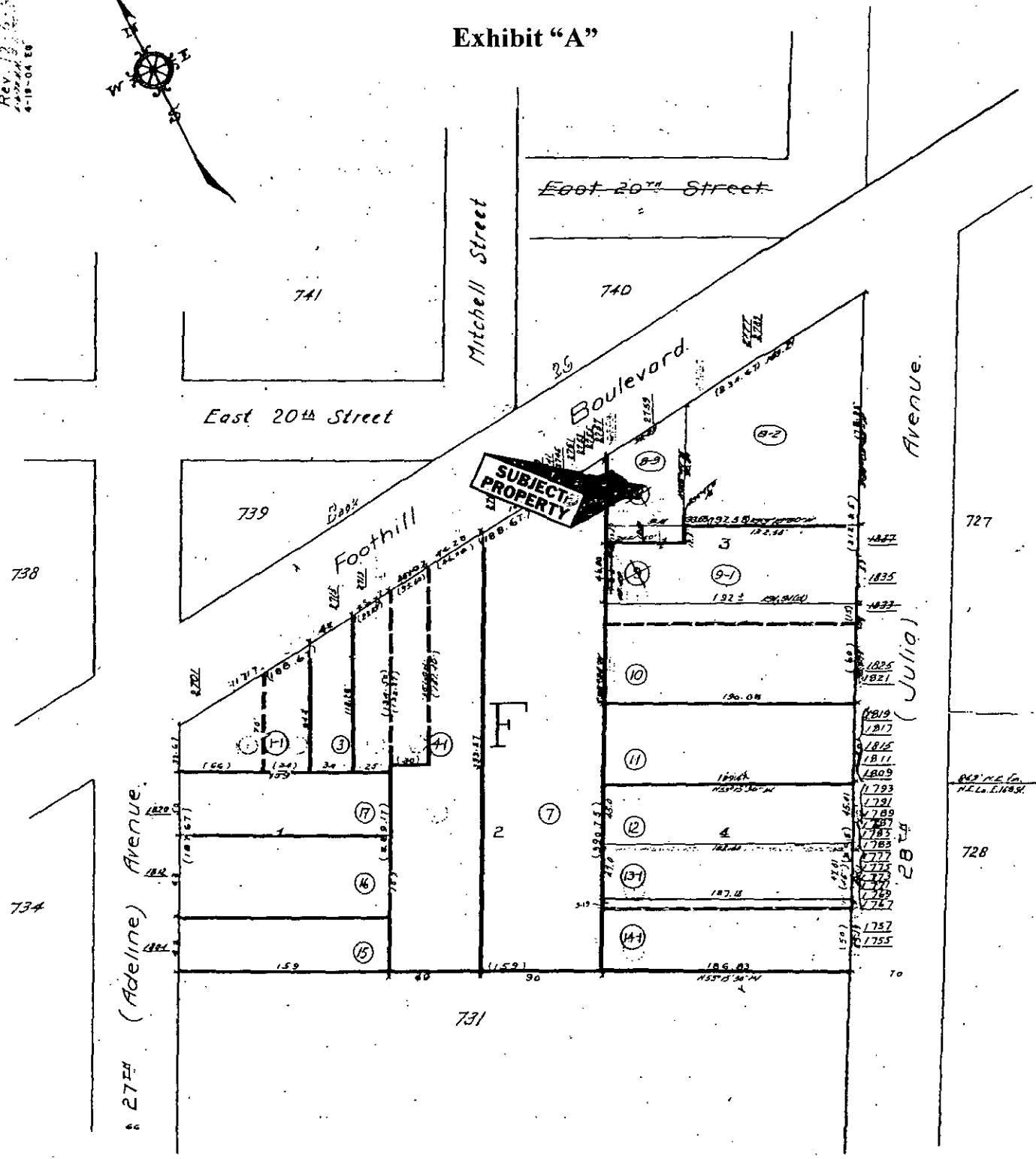
ABSENT-

ABSTENTION-

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

Rev. 12-1-65
4-15-64 EG

Exhibit "A"



SUBJECT PROPERTY

27th (Adeline) Avenue

Mitchell Street

Foothill

26th Boulevard

26th (Julia) Avenue

East 20th Street

East 20th Street

738

739

740

734

731

727

728

W.C. Co.
N.E.L. ENGRS.

- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9-1
- 9-2
- 9-3
- 10
- 11
- 12
- 13
- 14
- 15
- 16
- 17