

FILED
OFFICE OF THE CITY CLERK
OAKLAND

REDEVELOPMENT AGENCY
OF THE CITY OF OAKLAND
AGENDA REPORT

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

RE: **Resolution Authorizing a Loan to the Restoration Association for Improving the Landmark 16th Street Station (RAILS) in an Amount Not to Exceed \$39,677 to Secure the Historic 16th Street Train Station in West Oakland**

SUMMARY

On September 16, 2008, the Agency Board authorized a \$400,000 predevelopment loan to the Restoration Association for Improving the Landmark 16th Street Station (RAILS), the entity formed to oversee the rehabilitation and reuse of the 16th Street Train Station. RAILS is using the predevelopment loan to analyze the feasibility of various reuse options. Until RAILS can complete the analysis and propose a redevelopment plan, the Train Station requires interim measures to prevent further deterioration of the main building and to secure the site against vandalism. The predevelopment loan was authorized for a feasibility study and does not cover the cost of these measures, which are estimated to be \$34,510 for the roof and \$5,167 for fencing, for a total of \$39,677. Staff requests authorization of a second loan to RAILS in an amount not to exceed \$39,677 to implement the necessary protective actions.

FISCAL IMPACT

The proposed loan would be in an amount up to \$39,677. Repayment of the loan will be deferred until RAILS has developed the Train Station and is deriving revenues from the development. The loan will be initially unsecured and will be made in anticipation of RAILS buying the Train Station from the current owner, BUILD West Oakland, to restore and operate. At that time, a deed of trust will be placed on the property to secure the loan.

The term of the loan is for 15 years at a simple interest rate of three percent. Annual payments will be made from the development's excess cash flow, if there is any after paying approved expenses such as operating expenses, fees, reserves, and debt service. Excess cash flow will be determined by an independent auditor. The loan would be due and payable at the end of 15 years.

Sufficient funds are available for the loan in the Oakland Army Base Operations Fund (9570), West Oakland Reuse Organization (88679), 16th Street Train Station Project (S235322).

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

BACKGROUND

The 16th Street Train Station is a landmark building that played a major role in the cultural history of Oakland. It was the port of entry for many of Oakland's African American and immigrant residents, transforming West Oakland into a thriving “Harlem of the West.” It was also the West Coast home of the International Brotherhood of Sleeping Car Porters, which organized the first African American labor union.

The Train Station includes several components. The “Main Hall” is a 13,000-square foot building in the Beaux Arts style and includes a 45-foot-high ceiling. The “Baggage Wing” is an 8,000-square foot annex to the Main Hall. It is very basic design but has cultural and historical value. North of the Main Hall is a small structure known as the “Signal Tower.” Behind the Main Hall is about 320 linear feet of the original two-story track structure, where trains and trolleys arrived and departed from the station.

The Train Station sustained structural damage in the 1989 Loma Prieta earthquake. Since then, the Train Station has been unoccupied and has undergone significant deterioration.

In 2004, BUILD West Oakland, a subsidiary of the affordable housing developer BRIDGE, purchased the Train Station. BUILD had been planning the rehabilitation and reuse of the Train Station as part of the overall development of the Wood Street Zoning District.

Wood Street Zoning District

The Train Station is located at the center of the 29-acre Wood Street Zoning District (see map, *Attachment A*). In June 2005, the City approved a development project for the District that includes up to 1,557 new housing units plus commercial space, a plaza, and the rehabilitation of the Train Station. Governing development are the Wood Street Conditions of Approval, several of which apply directly to the Train Station (see *Attachment B*). Condition 58 requires the owner of the Train Station (i.e., BUILD) to follow a specific planning process and produce five specific studies for the Train Station—a Development Plan, Business Plan, Financing Plan, Management Plan, and Community Plan—which the Agency would use in deciding whether or not to contribute funding toward the rehabilitation of the Train Station. Condition 59 requires that a “Train Station Entity” be formed to oversee redevelopment of the Station.

Compliance with Conditions of Approval

BUILD went through an extensive community process to determine the preferred uses, identify community concerns, and examine other issues for developing the Train Station. As a result of this community process, BUILD completed a Reuse Plan for the Train Station, which it submitted to the City in May 2006. The Reuse Plan focused on two potential uses for the Train Station which received the most public support during the community process: (1) an event/performance space in the Main Hall, supported by a commercial kitchen in the Baggage Wing; and (2) an educational institution with shared community use of the Main Hall for events and performances. The Plan also discussed opportunities for new construction. Options

Item: _____

included enclosing the land under the track structure behind the Train Station for new development, and the purchase of land west of the track structure for a new building to house commercial or educational uses. The Plan provides the basis for the five specified studies, which require additional analysis to complete.

After producing the Reuse Plan, BUILD issued a Request for Qualifications (RFQ) to identify an organization to be designated as the Train Station Entity. BUILD received adequate responses from only two organizations, the Train Station Partnership (TSP) and California Capital Group (CCG). BUILD found the proposals from TSP and CCG to be interesting and suggested that the two groups collaborate. BUILD, TSP, and CCG met over a period of six months to discuss how they could work together and finally agreed that the structure of the Train Station Entity would be a nonprofit corporation governed by six board members. Three of the members would be appointed by TSP, two by BUILD, and one by the TSP and BUILD appointees. CCG would act as the fee developer retained by the Entity and have ongoing responsibility for long-term operations, compliance with City requirements, and community concerns. BUILD recommended this structure to the City Council for approval.

On September 16, 2008, the City Council/Agency approved the proposed Train Station Entity and authorized a predevelopment loan to the new Entity (incorporated as RAILS) to complete the planning process specified in Condition 58.

KEY ISSUES AND IMPACTS

Under Condition 55, the Project Sponsor (the role assumed by RAILS) must take measures to prevent deterioration or vandalism of the Main Hall that would occur in the absence of the measures.

CCG's architectural consultant, Architectural Dimensions, has determined that much of the damage to the Main Hall is from rain and birds entering through openings in the roof. Bird droppings have been particularly detrimental to surfaces. In addition, the building has been subject to graffiti defacement by vandals accessing the site through gaps in the existing fencing. Architectural Dimensions recommends boarding up a light well and several dormer windows and covering the parapet with a tarp to halt further rain and avian damage, and repairing the fencing to deter vandalism.

CCG solicited estimates for the roofing and fencing work and received the lowest bids from Synergy Construction Company and Bailey Fencing. The work to be performed and the bids are shown in Table 1.

Table 1 – Train Station Interim Repair Bids

| Contractor | Work | Bid |
|----------------------|---|----------|
| Synergy Construction | Remove roof debris Tarp parapet Carpentry for dormers and light well Repair roof drain Install bird netting Supervise job site | \$34,510 |
| Bailey Fencing | Repair 150' chain link fence Install 24' new chain link fence Repair sliding gate Repair swing gate | \$ 5,617 |
| Total Bids | | \$39,677 |

RAILS is a nonprofit organization with no financial assets. It lacks the ability to fund these expenses. The \$400,000 predevelopment loan to RAILS that the Agency authorized is only sufficient to complete the five studies specified in Condition 58.

RAILS is searching for sources of financing, including philanthropic grants, with which to restore the Train Station. The process, however, is unlikely to result in immediate funding. Meanwhile, the rainy season will begin soon. Unless action is taken to prevent further damage to the Train Station, the cost of rehabilitating the Train Station could increase and make funding the restoration work more difficult to achieve.

PROJECT DESCRIPTION

The project proposed by RAILS includes the rehabilitation of the Train Station, including the Baggage Wing; relocation and rehabilitation of the Signal Tower; construction of the public plaza in front of the Train Station; and construction of a new structure north of the Train Station that would house a variety of uses. Surface parking lots would provide the parking for the new uses. The new structure is proposed on a parcel that was originally intended for housing and 6,000 square feet of retail and commercial uses surrounding the Train Station Plaza. The new building will be between 40,000 to 60,000 square feet in size and is expected to be leased for job training programs, civic uses, and small offices. The revenue generated from these activities is expected to help finance the uses proposed in the Main Hall of the Train Station, which will not generate much revenue.

RAILS intends for the Train Station to serve as the vehicle for West Oakland's cultural and economic revitalization by attracting heritage tourism and performing arts audiences, while preparing residents for jobs, building community capacity, and serving as the nexus for educational and nonprofit programs.

Item: _____

SUSTAINABLE OPPORTUNITIES

Economic: Halting the deterioration of the Train Station will help to curtail its blighting effect on the surrounding community and improve the development climate.

Environmental: Taking preventive measures now reduces the amount of energy and materials which will be required later in the restoration of the Train Station.

Social Equity: The Train Station is a landmark with deep cultural significance for the West Oakland community. The building requires protection from the elements and vandals until it can be developed into a focal point, meeting place, and symbol for the surrounding community.

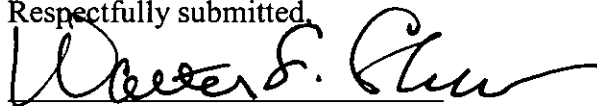
RECOMMENDATION AND RATIONALE

Staff recommends that the Agency authorize a loan to RAILS in an amount not to exceed \$39,677 to secure the 16th Street Train Station. The loan would enable RAILS to comply with Condition 55 and prevent further deterioration of the Train Station while RAILS develops a rehabilitation plan.

ACTION REQUESTED OF THE AGENCY

Staff requests that the Agency approve the attached resolution authorizing a loan to RAILS in an amount not to exceed \$39,677 to secure the historic 16th Street Train Station in West Oakland.

Respectfully submitted,

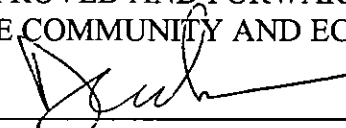


Walter S. Cohen, Director
Community and Economic Development Agency

Reviewed by:
Al Auletta
Redevelopment Area Manager

Prepared by:
Hui Wang
Urban Economic Analyst, Redevelopment Division

APPROVED AND FORWARDED TO
THE COMMUNITY AND ECONOMIC DEVELOPMENT COMMITTEE:

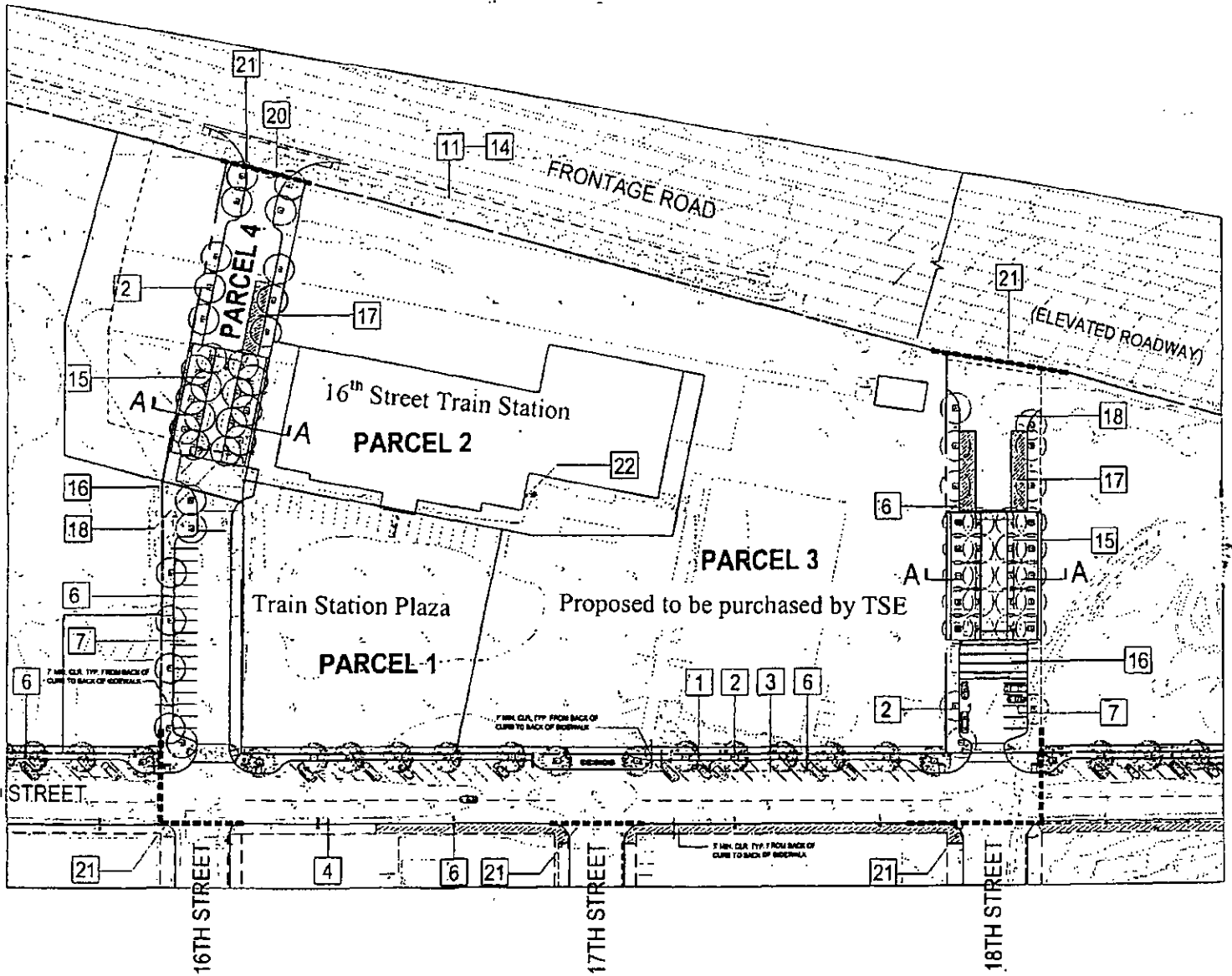


Office of the Agency Administrator

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

16th Street Train Station

Vesting Tentative Parcel Map 8554



ATTACHMENT A - TRAIN STATION MAP

ATTACHMENT B

WOOD STREET CONDITIONS OF APPROVAL

Wood Street Development Project
Conditions of Approval Pertaining to the 16th Street Train Station

52A. Preservation of the Historic 16th Street Train Station.

Prior to demolition or renovation

The Project Sponsor shall preserve the historic 16th Street Train Station including the Main Hall, Baggage Wing, and as much of the Elevated Platform as possible behind the Main Hall, as included in Development Area 5 of the Wood Street Zoning District, Parcel 2 of VTPM 8554, and as specified in Conditions 56A, 56B and 57A. *[This condition will be attached to the subdivision map for VTPM 8554 only.]*

53. HABS Recordation of the 16th Street Train Station.

Within 12 months of effective date of Wood Street Zoning District.

The Project Sponsor of Parcel 2 of VTPM 8553, and Parcels 2, 3 and 4 of VTPM 8554 shall, within 12 months of the effective date of the Wood Street Zoning District, record the 16th Street Train Station in accordance with the procedures of the Historical American Building Survey (HABS). In accordance with the HABS recordation process, the Project Sponsor shall consult with the National Park Service (NPS) to determine the appropriate level of documentation, and all documentation shall be subject to review and approval by NPS with approval determined by compliance with HABS procedures. *[This condition will be attached to the subdivision maps for Parcel 2 of VTPM 8553; and Parcels 2, 3 and 4 of VTPM 8554 only.]* [WS MM CR-2.1]

54. Salvage of Original Building Materials from Structures Proposed for Demolition.

Within 12 months of effective date of the adoption of the condition of approval.

The Project Sponsor shall, within twelve months of the effective date of the Wood Street Zoning District, submit a study to the City of Oakland detailing what parts of the portions of the 16th Street Train Station to be demolished can be feasibly salvaged. The study shall include an assessment of the feasibility of salvaging terra-cotta cladding, windows, doors and hardware. The study must be approved by the City's Planning Director, who shall find the study acceptable if it demonstrates which parts can be feasibly salvaged. Following City approval of the study, the Project Sponsor shall salvage parts as indicated in the approved study and shall make the salvaged materials available for reuse in rehabilitating the portions of the 16th Street Train Station that are to be rehabilitated. *[This condition will be attached to the subdivision maps for Parcel 2 of VTPM 8553, and Parcels 2, 3 and 4 of VTPM 8554 only.]* [WS MM CR-2.2]

55. Stabilization of Main Hall and Signal Tower.

Within three months of the effective date of the adoption of the condition of approval.

The Project Sponsor of Parcels 2 and 3 of VTPM 8554 shall, within three months of the effective date of the Wood Street Zoning District, take measures designed to preclude further deterioration of the Main Hall and the Signal Tower (both as defined in the notes and definitions on page 1) from rain and to exclude trespassers. Within 45 days of the effective date of the adoption of this condition of approval, the Project Sponsor shall submit to the Planning Director a description of the proposed measures. The Planning Director shall review, and may approve, disapprove, or modify the measures intended to eliminate deterioration or vandalism. These measures shall remain in place until the decision regarding reuse of the Main Hall is made. The facilities preserved and protected by this measure include the canopy at the Wood Street entrance to the Main Hall. *[This condition will be attached to the subdivision maps for Parcels 2 and 3 of VTPM 8554 only.]* [WS MM CR-2.3]

56. Interim Stabilization of Baggage Wing.

Within three months of the effective date of the adoption of the condition of approval.

The Project Sponsor of Parcel 2 of VTPM 8554 shall, within three months of the effective date of the Wood Street Zoning District, take measures designed to preclude further deterioration of the Baggage Wing from rain and to exclude trespassers, pending a decision from the Redevelopment Agency on whether to fund retention of the Baggage Wing. Within 45 days of the effective date of the adoption of the condition of approval, the Project Sponsor shall submit to the Planning Director a description of the proposed measures. The Planning Director shall review, and may approve, disapprove, or modify the measures intended to eliminate deterioration or vandalism. These measures shall remain in place until a decision from the Redevelopment Agency on whether to fund retention of the Baggage Wing is made. *[This condition will be attached to the subdivision map for Parcel 2 of VTPM 8554 only.]*

56A. Possible Agency Funding for Preservation and Restoration of Baggage Wing.

Prior to demolition or renovation of the Baggage Wing.

(a) To assist the Redevelopment Agency in its efforts to preserve and restore the Train Station, the Project Sponsor of Parcel 3 of VTPM 8554 (“BUILD”) shall set aside the additional approximate .33 acre of land depicted on VTPM 8554 upon which the Baggage Wing is located (the “Baggage Wing Parcel”) for a period of no less than eight months following the effective date of the Wood Street Zoning District, and shall include such parcel in the final map of Parcel 2 of VTPM 8554. During this period (1) BUILD and the Train Station Entity, defined in the General Notes and Definitions and described in Condition 59, shall negotiate in good faith to enter into an agreement for the Train Station Entity to purchase the Baggage Wing Parcel from BUILD within said eight-month period for the Purchase Price (defined below), (the “Baggage Wing Purchase Agreement”) and (2) upon the receipt and acceptance by the Redevelopment Agency Board of a Business Plan, Financing Plan and Management Plan from the Train Station Entity, the Redevelopment Agency shall determine whether to make available the financial assistance necessary for the Train Station Entity to acquire the Baggage Wing Parcel and preserve the Baggage Wing, and the Train Station Entity and the Redevelopment Agency shall then negotiate in good faith to enter into an agreement for such financial assistance (the “Baggage Wing Funding Agreement”). The Baggage Wing Funding Agreement shall (3) provide for Agency funding for the acquisition and preservation of the Baggage Wing and the Baggage Wing Parcel from available tax increment funds as such funds are received, under customary redevelopment agency terms and conditions; and (4) provide that the Train Station Entity shall seek funding from non-Agency and non-City sources (including state and federal programs, historic preservation tax credits, and private lenders) as appropriate for the acquisition, preservation, and restoration of the Baggage Wing and the Baggage Wing Parcel. For purposes of this condition, the term “available tax increment funds” shall mean the net tax increment revenues generated by the property in the Wood Street Project that are actually received by the Agency, excluding any pass-through payments to other entities, payments to the Low and Moderate Income Housing Fund, the Educational Revenue Augmentation Fund, or other set aside funds, or funds otherwise diverted from the Agency.

(b) In the event the Baggage Wing Purchase Agreement and the Baggage Wing Funding Agreement are executed within the eight month period, then:

- (1) BUILD will include the Baggage Wing in the materials, plans and information to be prepared in accordance with Conditions of Approval 58 and 59, BUILD will not make any alteration to the Baggage Wing that is not consistent with the preservation, rehabilitation, or reuse recommendations contained in the *OARB*

Area Redevelopment Plan (as amended); the City of Oakland General Plan (as amended); the Wood Street Zoning District; and Secretary of the Interior's Standards for the Treatment of Historic Buildings, and alterations shall be further restricted in accordance with any additional design standards, guidelines, or recommendations when the development plan, adopted pursuant to Mitigation Measure CR-2.5, becomes effective;

- (2) in accordance with Condition 59, BUILD will transfer title to the Baggage Wing Parcel to the Train Station Entity upon approval by the City Council, which approval shall be based upon the Council's satisfaction of the progress in implementing Conditions 58, 59 and 60; and
- (3) the City will cooperate to develop and approve preliminary and final development plans for the remaining areas of Parcel 3 of VTPM 8554 such that the Project Sponsor will be able to build the residential units approved for development on such parcel, which cooperation may include, subject to appropriate environmental review, future approval of residential use of certain areas of the future adjacent right of way located in 18th street, provided that an equivalent area of public space is provided elsewhere within the Baggage Wing Parcel or the remaining areas of Parcel 3.

(c) For purposes of the above, the "Purchase Price" for the Baggage Wing Parcel shall be the lesser of (1) Fair Market Value, or (2) the Acquisition/Holding/Entitlement Costs. "Fair Market Value" shall mean the purchase price that an unrelated party negotiating at arm's length would pay to purchase such property, taking into account all then current market factors, including without limitation the quality, design, condition and location of the property including the extent and condition of the construction completed to date, if any, the amount of any and all liens, mortgages, and encumbrances against the property, required environmental remediation, and the value of the existing improvements to such party, and assuming the property was included with Parcel 3 of VTPM 8554. "Acquisition/Holding/Entitlement Costs" shall mean (1) the actual price initially paid for the Baggage Wing Parcel by BUILD, calculated on the basis of the overall purchase price paid by BUILD for developable acres within the Wood Street Zoning District and prorated on a square footage basis to the Baggage Wing Parcel, plus (2) actual costs incurred by BUILD in holding, maintaining and entitling the Baggage Wing Parcel (calculated on a developable square footage basis prorated to the Baggage Wing Parcel), including taxes, carrying costs (which shall be defined as the investment return BUILD's investor, CalPERS, has received on investments in similar projects in the CalPERS CURE program (California Urban Real Estate) since its inception in 1997, but not to exceed 10%), insurance, maintenance, and other out-of-pocket payments by BUILD to third parties for holding, maintaining and entitling the property, but not including BUILD's administrative or staff costs. The Acquisition/Holding/Entitlement Costs shall be determined by an independent cost certification obtained by BUILD.

(d) BUILD shall submit its determination of Acquisition/Holding/Entitlement Costs, along with the independent cost certification, and its determination of Fair Market Value to the Redevelopment Agency within three months of the City Council's approval of the District. If the Agency disputes BUILD's determination either of Fair Market Value or Acquisition/Holding/Entitlement Costs, or both, as contained in BUILD's notice, the Agency shall notify BUILD in writing within 30 calendar days of its receipt of BUILD's determination, which notice shall set forth the Agency's determination of the Fair Market Value and/or

Acquisition/Holding/Entitlement Costs. The Agency and BUILD shall thereupon attempt to resolve their differences within 10 days following BUILD's receipt of the Agency's notice. If the Agency and BUILD cannot agree on Fair Market Value during such 10-day period, the Agency and BUILD shall each appoint an appraiser who shall be an M.A.I. and a California licensed appraiser experienced in appraising commercial and residential real estate in Alameda County, and give notice of such appointment to the other within 10 calendar days after the foregoing 10-day period. Such appraisers shall, within 30 calendar days after the appointment of the last of them to be appointed, complete their written determinations of Fair Market Value and furnish the same to the Agency and BUILD. Each party shall pay the fees and costs of the appraiser appointed by it. If the valuations vary by ten percent (10%) or less of the higher value, the Fair Market Value shall be the average of the two valuations. If the valuations vary by more than ten percent (10%) of the higher value, the two appraisers shall, within ten (10) calendar days after submission of the last appraisal report, appoint a third disinterested appraiser who shall be an M.A.I. and a California licensed appraiser with the experience described above. If the two appraisers are unable to agree in a timely manner on the selection of the third appraiser, then either appraiser, on behalf of both, may request appointment of such third disinterested M.A.I. appraiser by the presiding judge of the Superior Court of Alameda County. Such third appraiser shall, within 15 calendar days after appointment, make a determination of Fair Market Value by selecting one of the prior appraisals. The third appraiser shall have no right to select a Fair Market Value other than as determined by one of the prior appraisals. If the Agency and BUILD cannot agree on Acquisition/Holding/Entitlement Costs during such 10-day period, the Agency and BUILD shall submit the issue to binding arbitration.

(e) If, after good faith negotiations, BUILD and the Train Station Entity have not entered into the Baggage Wing Purchase Agreement within the eight-month period, or the Agency and the Train Station Entity have not entered into the Baggage Wing Funding Agreement within the eight-month period, then the Agency or the Agency's designee shall have the option of purchasing the Baggage Wing Parcel for the Purchase Price. The Agency or its designee shall give written notice of its exercise of said option to BUILD (or the then-current owner of the Baggage Wing Parcel) within 60 calendar days of the end of the eight-month period.

(f) Should the Agency exercise the above option, BUILD shall deliver title to the Baggage Wing Parcel to the Agency free and clear of any junior liens, leases, mortgages, or encumbrances, except those liens, mortgages, or encumbrances that have been specifically approved by the Agency in writing. Escrow for the sale of the Baggage Wing Parcel shall close and BUILD shall execute and deliver to the Agency or its designee a grant deed or deeds to the Baggage Wing concurrent with the transfer of the Main Hall, in accordance with Condition 59, at which time the Purchase Price shall be paid by the Agency or its designee to BUILD. The Purchase Price shall be paid in the form of a promissory note executed by the Agency to BUILD in which the Agency pledges to pay the Purchase Price from available tax increment funds as such funds are received, along with interest at a rate equal to the prevailing Local Agency Investment Fund rate. The Agency shall be allowed to prepay the note without penalty. Prior to the close of escrow, BUILD shall take all necessary steps to ensure that a title company will be able to issue to the Agency or its designee, upon close of escrow, a standard CLTA owner's policy of title insurance, in an amount equal to the Purchase Price, showing title to the Baggage Wing Parcel vested in the Agency or its designee, with only the following exceptions:

- (1) Liens for property taxes not yet due and payable;

(2) Any other lien or encumbrance approved in writing by the Agency in its sole discretion.

(g) Prior to the time for the Agency to provide notice of its election to exercise the option, the Agency or its designee and its agents may, upon reasonable notice to BUILD, enter the Baggage Wing Parcel for purposes of inspection, survey, tests, or other actions reasonably related to acquisition of the property by the Agency or its designee. The Agency or its designee shall indemnify and defend BUILD for any liability, claims or damages arising from such entry.

(h) The Agency may assign the option to purchase the Baggage Wing Parcel to any other entity in its sole discretion.

(i) If BUILD and the Train Station Entity have not entered into the Baggage Wing Purchase Agreement, or if BUILD and the Agency have not entered into the Baggage Wing Funding Agreement, within the eight month period and any of them assert that one or the other of them has not negotiated the agreement in good faith, BUILD, the Agency or the Train Station Entity shall submit the issue to binding arbitration.

(j) If BUILD and the Agency have not entered into the Baggage Wing Funding Agreement within the eight month period because the Agency has declined to provide the funding from available tax increment funds necessary for the Train Station Entity to purchase and preserve the Baggage Wing Parcel as set forth above, and if the Agency or its designee has declined to exercise its option to purchase the Baggage Wing Parcel as set forth above, then BUILD shall have no further obligations under this condition. *[This condition will be attached to the subdivision map for Parcel 2 of VTPM 8554 only.]*

56B. Feasibility Determination If Funding Not Provided For Baggage Wing.

Prior to demolition or renovation of Baggage Wing.

In the event that the Baggage Wing Purchase Agreement and the Baggage Wing Funding Agreement described in Condition 56A are not executed within the eight month period, the Project Sponsor shall submit for City Council review application to demolish the Baggage Wing or its application to alter the Baggage Wing. Any alteration of the Baggage Wing shall be consistent with the preservation, rehabilitation, and reuse recommendations contained in the OARB Area Redevelopment Plan (as amended by action concurrent with approval of the Wood Street Zoning District), the City of Oakland General Plan (as amended by action concurrent with approval of the Wood Street Zoning District), the Wood Street Zoning District, and Secretary of the Interior's Standards for the Treatment of Historic Buildings. Upon review of detailed pro forma information (amount invested, return on equity, financing options) and any other information requested by the City Council, including CEQA compliance determination, financing requirements and other pertinent information, the City Council shall approve, deny, or conditionally approve the application.

57. Restriction on Alteration of the Main Hall and the Signal Tower.

Prior to demolition or renovation of any structures.

The Project Sponsor of Parcels 2 and 3 of VTPM 8554 shall not make any alteration to the Main Hall that is not consistent with the preservation, rehabilitation, or reuse recommendations contained in the *OARB Area Redevelopment Plan* (as amended); the *City of Oakland General Plan* (as amended); the Wood Street Zoning District; and Secretary of the Interior's Standards for the Treatment of Historic Buildings. Alterations shall be further restricted in accordance with any additional design standards, guidelines, or recommendations when the development plan,

adopted pursuant to Mitigation Measure CR-2.5, becomes effective. *[This condition will be attached to the subdivision maps for Parcels 2 and 3 of VTPM 8554 only.]* [WS MM CR-2.4]

57A. Restriction on Alteration of the Elevated Platform Feasibility Study Area.

Prior to demolition of the elevated track platform adjacent to the Main Hall.

The Project Sponsor shall not make any alteration to the Elevated Platform Feasibility Study Area until the Project Sponsor has further pursued, with due diligence, the feasibility of retaining and preserving more width of the Elevated Platform Feasibility Study Area, than is shown in FEIR Figure CR-4 and, in any event, no alteration shall be made prior to the approval of a preliminary development plan for Parcel 3 of VTPM 8554. The Project Sponsor shall include in its preliminary development plan application for Parcel 3 of VTPM 8554 additional evidence of the feasibility or infeasibility of retaining a greater width of the Elevated Platform Feasibility Study Area. The determination of the width to be retained and preserved shall be made by the City in connection with its consideration and approval of such preliminary development plan. The preliminary development plan shall include retention and preservation of as much width of the Elevated Platform Feasibility Study Area as the City determines is feasible. The precise location of the parcel line between Parcel 2 and Parcel 3 on the final map for Parcel 3 shall accommodate such determination. *[This condition will be attached to the subdivision map for Parcel 3 of VTPM 8554 only.]*

58. Application for Redevelopment Agency Funding Approval for Train Station Preservation, Rehabilitation, and Stabilization.

Within 12 months of the effective date of the adoption of this condition of approval.

Consistent with the *OARB Area Redevelopment Plan* goals as set out in Section 100 of that Plan, the Project Sponsor of Parcel 2 of VTPM 8554 or the Train Station Entity shall submit an application to the Redevelopment Agency of the City of Oakland (the "Agency") requesting that the Agency make available tax increment funds provided for in Section 502 of the *OARB Area Redevelopment Plan* for the preservation, rehabilitation, and stabilization of the Main Hall. In connection with such application, the property owner shall submit the following materials and information to the Agency:

- a. a finance plan demonstrating the prudent use of tax increment funds in restoring, preserving, and reusing the Main Hall, including a commitment by the property owner to maximize the leverage of the tax increment funds by seeking additional public funding, tax credits, private financing, and/or private philanthropic grants;
- b. a management plan demonstrating exemplary and continued stewardship of the Main Hall, with recognition of its cultural and historical importance to the City of Oakland and which is accountable to the goals and policies of the *OARB Area Redevelopment Plan* and the *City of Oakland General Plan*;
- c. a community participation plan providing for input by Oakland community members in decisions concerning the Main Hall's preservation and reuse;
- d. a development plan demonstrating that the proposed renovation and reuse of the Main Hall is consistent with the design standards, policies, and goals of the *OARB Area Redevelopment Plan* (as amended); the *City of Oakland General Plan* (as amended); and the Wood Street Zoning District; as well as with any other design criteria that the Agency determines is appropriate to meet said goals and policies; and

e. a business plan that establishes a framework for the funding of rehabilitation efforts and identifies the grant source(s), the funding mechanisms and the budget for the work, as provided in Condition 59.

Not in limitation of the Project Sponsor's obligations in Conditions No. 95, 96 and 97, any Agency decision to fund all or any portion of the 16th Street Train Station, including either the Main Hall, Baggage Wing and/or Signal Tower shall be conditioned upon Project Sponsor's indemnification of the Agency and the City for any claims related to the construction, operation or maintenance of any and all projects using Agency funds.

[This condition will be attached to the subdivision map for Parcel 2 of VTPM 8554 only.]
[WS MM CR-2.5]

59. Rehabilitation and Reuse of Main Hall, Platform and Signal Tower.

Within six months of the effective date of the adoption of this condition of approval for establishment of a Train Station Entity to oversee the rehabilitation and reuse of the historic 16th Street Train Station; within twelve months of the effective date of the adoption of this condition of approval to prepare a business plan for the retention of historic resources and the reuse of the 16th Street Train Station.

Within six months of adoption of this condition of approval, the Project Sponsor will establish a Train Station Entity to oversee the rehabilitation and reuse of the historic 16th Street Train Station (as defined in the General Notes and Definitions), which will assure public access and include elements commemorating its historical significance, and within twelve months of the effective date of this condition of approval the Project Sponsor shall obtain City Council approval of such Train Station Entity. Within twelve months of adoption of this condition of approval, the Project Sponsor and/or the new Train Station Entity for the historic 16th Street Train Station shall prepare a business plan for the retention of historic resources and the reuse of the 16th Street Train Station. The business plan will establish a framework for the funding of rehabilitation efforts and identify the grant source(s) and the funding mechanisms for the work. The business plan will also establish the information needed for requesting tax increment financing and the timing and sequencing of such funding in relation to the phasing of the historic restoration efforts. Within two years of approval of the Wood Street Zoning District, the Project Sponsor will complete a schematic set of plans and specifications for the restoration of the 16th Street Train Station. The plans shall include an analysis of the feasibility of restoration and reuse of the structure and establish a budget for the project to demonstrate the viability of proposals related to possible use of historic resources and identify important details about how modifications to historic resources will be integrated into the final project. Upon receipt of Agency tax increment funds and other public and/or private funds in accordance with Condition of Approval #58, the Project Sponsor of Parcel 2 of VTPM 8554 will, within one year, diligently commence and pursue the completion, within seven years, in accordance with the plans and specifications for the restoration of the 16th Street Train Station, and rehabilitation of the facilities depicted for retention in Figure 2-4 of the Draft EIR of the proposed project, in accordance with the Secretary of the Interior's Standards for the Treatment of Historic Buildings, and in conformance with the following General Standards.

(1) Any renovation, modification or addition to the 16th Street Train Station shall conform with the standards set forth in the Planning Code "Special regulations of designated landmarks."

(2) Any reuse of the 16th Street Train Station shall include stabilization and repair of exterior materials to improve the exterior appearance and to ensure a watertight building envelope. This rehabilitation shall include using salvaged materials to the extent feasible, and seismically strengthening and rehabilitating the exterior of the Main Hall, including the portions of the platform that are to be preserved. No additions to the structures would be permitted except as specified in the following standards:

- (a) No addition to the existing 16th Street Train Station shall exceed a total building footprint greater than 20 percent of the existing structure to be retained.
- (b) No addition to the existing 16th Street Train Station shall exceed the height of the north or south wings that flank the Main Hall (approximately 25 feet in height).
- (c) No addition shall be made to either the primary façade facing the 16th Street Plaza or the southern façade, facing the 16th Street right of way or pocket park.
- (d) No additions are permitted to the Signal Tower. Plaques shall be installed on the exterior façade of the station and the Signal Tower that identify their historic uses and include additional historical information. A display shall be created on the interior of the station using historic photos and documents to give a more complete history of the station and the Signal Tower.

The Project Sponsor of VTPM 8554 shall not transfer title of the retained portion of the 16th Street Train Station to the Train Station Entity unless and until the transfer is approved by the City Council, which shall be based upon Council's satisfaction of the progress in implementing Conditions 58, 59 and 60. Not in limitation of the Project Sponsor's obligations in Conditions No. 95, 96 and 97, in the agreement between the Project Sponsor and Agency to fund all or any portion of the 16th Street Train Station (as defined in the General Notes and Definitions), the Project Sponsor shall indemnify, in a form acceptable to the City Attorney, the Agency and the City for any claims related to the construction, operation or maintenance of any and all projects constructed by or at the direction of a Project Sponsor, using Agency funds.

Not in limitation of the Project Sponsor's obligations in Conditions No. 95, 96 and 97, any Agency decision to fund all or any portion of the 16th Street Train Station, including either the Main Hall, Baggage Wing and/or Signal Tower shall be conditioned upon Project Sponsor's or the Train Station Entity's indemnification of the Agency and the City for any claims related to the construction, operation or maintenance of any and all projects using Agency funds. *[This condition will be attached to the subdivision maps for Parcels 2 and 3 of VTPM 8554 only.]*
[WS MM CR-2.6]

60. Reuse of the Main Hall

Prior to issuance of the first certificate of occupancy; upon approval of funding by the Redevelopment Agency as specified in WS MM CR-2.5.

Following the satisfaction of the prior Condition No. 59, the Project Sponsor of Parcel 2 of VTPM 8554 in the reuse of the Main Hall shall incorporate exhibit space commemorating the site's cultural history and its function as the end of the trans-continental railroad and the gateway arrival point in the West. The exhibit space could also serve as a venue for private and public events, facilitating greater exposure of persons to the historical significance of the station. Oral histories shall be recorded and made available to the extent feasible. The building would not be subjected to extensive night lighting. Reuse shall proceed according to the finance, management,

community participation, and development plans submitted pursuant to Condition No. 58, as approved by the Redevelopment Agency, as well as any other design criteria that the City Planning Director determines is appropriate to meet the City's goals and policies. *[This condition will be attached to the subdivision map for Parcel 2 of VTPM 8554 only.]* [WS MM CR-2.7]

61. Enhancement of the Train Station Setting

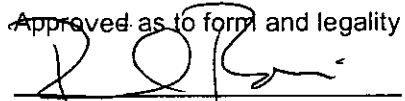
Prior to issuance of certificate of building occupancy of the restored Main Hall or issuance of a certificate of occupancy for the 600th residential dwelling with the Project Area, whichever occurs first.

The Project Sponsor of Parcel 1 of VTPM 8554 shall construct and landscape the plaza area to provide an enhanced visual setting for the Main Hall, to provide a visual focus and view corridor, to increase public accessibility to the 16th Street Train Station, and to create a feature that recalls the historic use of the station. All these improvements shall be completed with private financing by the Project Sponsor; no public funds would be requested with respect to the Plaza. *[This condition will be attached to the subdivision map for Parcel 1 of VTPM 8554 only.]* [WS MM CR-2.8]

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.

RESOLUTION AUTHORIZING A LOAN TO THE RESTORATION ASSOCIATION FOR IMPROVING THE LANDMARK 16TH STREET STATION (RAILS) IN AN AMOUNT NOT TO EXCEED \$39,677 TO SECURE THE HISTORIC 16TH STREET TRAIN STATION IN WEST OAKLAND

WHEREAS, the 16th Street Train Station in West Oakland (the "Train Station"), located within the Oakland Army Base Redevelopment Project Area ("Project Area"), is a landmark structure that has played an important role in the cultural history of Oakland; and

WHEREAS, on June 7, 2005, the City Council of the City of Oakland ("City Council") adopted the Wood Street Zoning District, which applies to the 29.2-acre site that includes the Train Station; and

WHEREAS, the Wood Street Zoning District established Conditions of Approval that govern how development is to occur within the District; and

WHEREAS, under Condition of Approval #59, the Restoration Association for Improving the Landmark 16th Street Station ("RAILS"), a nonprofit corporation, was formed to oversee the rehabilitation and reuse of the Train Station; and

WHEREAS, under Condition of Approval #55, RAILS must take measures to prevent deterioration or vandalism of the Train Station that would occur in the absence of the measures; and

WHEREAS, a site assessment of the Train Station indicates that roofing and fencing work are necessary to the protect the Train Station from further damage; and

WHEREAS, without these measures, unchecked deterioration could increase the cost of rehabilitating the Train Station; and

WHEREAS, RAILS requests financial assistance from the Redevelopment Agency to help cover the cost of these protective measures; and

WHEREAS, the funds are available from the Agency's Oakland Army Base Redevelopment Project Area; now, therefore, be it

RESOLVED: That the Agency hereby authorizes the Agency Administrator or his or her designee to provide a loan in an amount not to exceed \$39,677 to RAILS, or to an affiliated entity approved by the Agency Administrator or his or her designee, to be used for roofing and fencing work for the Train Station; and be it

FURTHER RESOLVED: That a total of \$39,677 will be allocated from the Oakland Army Base Redevelopment Operations Fund (9570), West Oakland Base Reuse Organization (88679), 16th Street Train Station Project (S235322) for this purpose; and be it

FURTHER RESOLVED: That the term of the loan shall be for fifteen (15) years at a simple interest rate of three percent, with repayment of the loan from excess cash flow beginning when RAILS has completed the redevelopment of the Train Station and is generating revenues from the development, and with the loan balance due at the end of the term; and be it

FURTHER RESOLVED: That the loan will initially be unsecured, with a deed of trust securing the loan to be recorded when RAILS acquires title to the property; and be it

FURTHER RESOLVED: That loan funds shall be disbursed only for costs actually incurred by RAILS based on invoices submitted to the Agency; and be it

FURTHER RESOLVED: That the making of the loan shall be contingent on and subject to such other terms and conditions as the Agency Administrator or his or her designee may establish; and be it

FURTHER RESOLVED: That all loan documents shall be reviewed and approved by Agency Counsel for form and legality prior to execution, and copies shall be placed on file with the Agency Secretary; and be it

FURTHER RESOLVED: That the Agency hereby authorizes the Agency Administrator or his or her designee to conduct negotiations, execute documents, administer the loan, extend or modify the repayment terms, and take any other action with respect to the loan consistent with this Resolution and its basic purpose.

IN AGENCY, OAKLAND, CALIFORNIA, _____

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