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CITY OF OAKLAND
AGENDA REPORT

TO: Office of the City/Agency Administrator
ATTN: Deborah Edgerly
FROM: Community and Economic Development Agency
DATE: December 18, 2007

RE: **Report on the Request for Qualifications (RFQ) Process to Select a Master Developer for the Central Gateway Development Area of the Former Oakland Army Base**

SUMMARY

The Gateway Development Area (GDA) at the former Oakland Army Base is a major development opportunity for the City of Oakland. The Oakland Redevelopment Agency ("Agency") has already approved two projects for the GDA (a freeway auto mall and a maritime support trucking center) which are currently in planning. In October 2007, staff completed a comprehensive land use analysis for the largest remaining section of the GDA – a 108-acre area that includes the West, Central and East Gateway portions of the GDA.

On November 6, 2007, the Agency directed staff to move forward with a Request for Qualifications (RFQ) process to identify a master developer for the 108-acre GDA site, and to come back with a draft RFQ prior to issuance of the RFQ to receive comments from the Agency Board.

Pursuant to the Agency's direction, this report presents the draft RFQ and a summary of the RFQ process in order to solicit comments from the Agency Board. The draft RFQ is attached for the Agency's review and comments (see Attachment A).

FISCAL IMPACT

The proposed RFQ process would have no direct fiscal impact. The selection of a master developer for the Gateway site could eventually lead to a major development project that could generate significant jobs, land sale proceeds, and/or tax revenue for the City/Agency. The potential fiscal impacts would be examined at the time that a specific development proposal is presented to the Council/Agency.

BACKGROUND

On October 23, 2007, staff presented to the Agency's Community & Economic Development Committee the findings of a comprehensive land use analysis and market study of the GDA.¹ At the November 6, 2007 meeting of the full City Council/Redevelopment Agency, the Agency

¹ *Pre-Development Planning for the Oakland Army Base Gateway Development Area, Final Report, October 2007, prepared by Design, Community & Environment (DC&E) and Bay Area Economics (BAE) for the Oakland Redevelopment Agency*

directed staff to initiate an RFQ process to identify a master developer for the 108-acre GDA site, and to come back to the Council/Agency with a draft RFQ to receive Agency Board comments prior to issuance of the RFQ.

KEY ISSUES AND IMPACTS

1. RFQ Benefits

The Agency has directed staff to initiate a competitive process to solicit potential developers. Staff already has received a number of unsolicited proposals. In order to identify the best outcome for the Agency and to promote a fair, open process, at the Agency Board's direction staff will issue an RFQ to solicit prospective master developers to submit information about their qualifications and their development concept for the GDA site. Staff has structured the RFQ to elicit information about prospective developers and how they would develop the site, so that the Agency Board may be provided with as much information as possible in order to determine its next steps when staff returns to the Agency in March 2008 with results of the process.

The RFQ will: (1) identify qualified developer teams who are interested in the development opportunity at the GDA; (2) provide real-world information back to the Agency about the types of land uses that the market considers feasible; and (3) provide valuable background information to the Agency, prior to selecting a specific development team and executing an Exclusive Negotiating Agreement (ENA).

2. Flexibility of Land Use

Per direction from the Agency Board, the RFQ has been worded to give potential developers maximum flexibility in proposing different land uses. Although the RFQ states that the Agency is not endorsing a particular land use or development strategy for the GDA at this time, but seeks feedback from the private sector as to what uses are most feasible, it does provide the land use alternatives developed by the recent DC&E study. Potential land uses previously identified by the Agency Board as desirable uses for the GDA include:

- a. Film production
- b. Green & other innovative industry
- c. Trade & maritime logistics
- d. Retail.

3. Agency Goals

The RFQ identifies City/Agency goals that developers will be expected to achieve as part of the development of the GDA. The extent to which prospective developers demonstrate a commitment and ability to implement these goals will be strongly considered in evaluating submittals.

- a. **Gateway Development.** The GDA has one of the most visible locations in the entire East Bay, with a dramatic waterfront location at the western entrance to Oakland. For

this reason, the City is seeking a developer that can realize the City's vision of an iconic development for the GDA that capitalizes on the uniqueness of the site and symbolizes the vitality, innovation and culture of Oakland. This will require an integrated village of robust economic uses, good urban design, and stunning architecture. Using these elements of high quality development, the GDA can help to enhance the city's image and create business opportunities throughout Oakland.

- b. **Job Creation.** The City is committed to the GDA development as an engine for high-quality job creation. The GDA should be developed with strategic industries expected to grow over time and provide a range of jobs that fit with the varying workforce skills of Oakland residents.
- c. **Green & Innovative Development.** The GDA site should be a showcase for green development of the most innovative products and design. The development itself should adhere to the greenest of principles – in construction, building materials, use of alternative energy sources, and technology.
- d. **Community Benefits.** The GDA should be developed in a way that provides real, long-term benefits to the West Oakland community and to residents throughout Oakland. This development has the potential to create new job opportunities for local residents, business opportunities for local businesses, and/or amenities (such as shopping and open space) for the West Oakland community.
- e. **Coordination & Support for Port Projects.** The Port provides an important economic engine for Oakland, and its long-term competitiveness should be supported. The Port has received over 700 acres of former military land (i.e., the Navy's Fleet and Industrial Supply Center and Oakland Army Base) which the Port is using to modernize and expand its operations. The City/Agency should consider the Port's needs when determining the strategy for the GDA. At the same time, it is reasonable to ask if the Port is making the most efficient use of its own land, and if it could provide more land for logistics, trucking, and other key industries.
- f. **Government Revenue.** The GDA is anticipated to generate significant revenue from property tax increment, sales tax, and land sale proceeds.
- g. **Project Quality & Delivery.** For this project, the Agency seeks to partner with a developer that has demonstrated expertise and experience with similar developments.

4. Equity Participation

In response to the Agency Board's discussion on November 6, 2007, staff has sought to structure the RFQ to provide an opportunity for equity participation by Oakland-based firms. The selected development team would be expected to include Oakland-based team member(s) that would contribute equity to the project and participate in the project's financial return.

5. Selection Criteria

Developer submittals will be evaluated based on the composition of the development team, previous development experience, financial capacity and proposed project concept. The proposed RFQ establishes the minimum development requirements specified for the GDA site and the requirements of the City/Agency (see Attachment A). The RFQ includes the following selection criteria for developer qualifications:

- a. Financial capacity to develop the site.
- b. Proven ability of developer to possess or attract equity and debt capital for a project of this type as evidenced by: (1) financings of comparable projects, (2) financial status, and (3) on-going relationships with financial sources.
- c. Demonstrate the investment commitments of development partners and ability to assemble financing in an agreed-upon time schedule.
- d. Demonstrate commitment of one or more anchor tenants.
- e. Require the least public subsidy (if any).
- f. Equity participation by Oakland-based entities.
- g. Proven ability to work with public agencies, preferably redevelopment, to achieve development desired by the public sector.
- h. Prior relationships with quality retail, office, and/or industrial tenants.
- i. Proven track record of completing projects of comparable type, scope, and quality envisioned;
- j. Proven ability to implement projects quickly, effectively, and on budget.
- k. Experience with development within an urban context;
- l. Ability to partner with local organizations and/or address community concerns.

6. Master Developer's Role

The proposed RFQ seeks a master developer to handle all aspects of the planning and development of the site. The developer's role is expected to include, but not be limited to, the following tasks:

- a. Completing a master plan for the GDA site, working in partnership with the Agency under an Exclusive Negotiation Agreement.
- b. Performing all necessary due diligence, site planning, engineering, market analysis, and other predevelopment activities.
- c. Entering into a long-term ground lease of the site.
- d. Securing entitlements and government approvals necessary for development of the site.
- e. Preparing and securing a final subdivision map for the property, including the construction and/or installation of all on- and off-site, infrastructure, and utility improvements as required for the subdivision.
- f. Resolving any outstanding title, easement, or other real estate issues necessary to complete the project.
- g. Obtaining all necessary financing.

- h. Clearing, grading and preparing the site for development in general conformance with the Oakland Army Base Remedial Action Plan and other relevant documents.
- i. Taking the lead role in all aspects of the development of the site.

7. Marketing of RFQ to Potential Developers

Staff has compiled an extensive list of RFQ recipients based on developer inquiries and unsolicited proposals. In addition, the RFQ will be distributed to the Oakland Metropolitan Chamber of Commerce, architects and brokers, trade organizations, community groups and other stakeholders, selected websites and news outlets to publicize and market the GDA site. Prior to issuance of the RFQ, staff will work with the Oakland Partnership², other stakeholders and local media to build awareness of this development opportunity.

8. RFQ Process & Timeline

The RFQ will be modified according to Agency direction and issued in early January 2008 to a comprehensive list of developers and related parties. Staff will hold a pre-submittal conference in January and make available reports on existing conditions and other relevant studies on the former Army Base property, as well as the planning documents and reports that describe the types of land uses and development criteria under consideration by the Agency. Submissions will be due on February 29, 2008. The submittals will be analyzed based upon the criteria described in the attached RFQ. Developer teams may be requested to make a presentation before a selection panel set up by the Agency.

The recommendations of staff will then be forwarded to the Agency Board. The Agency may select a master developer at that time – in which case the Agency would enter into an Exclusive Negotiating Agreement (ENA) with the selected developer for the purpose of negotiating a development agreement or ground lease for the site. Alternatively, the Agency may select one or more developers to work with Agency staff to develop a detailed proposal that would be presented to the Agency.

Upon completion of the developer selection process, the Agency will negotiate a development agreement with the selected developer team, subject to approval by the Agency Board. The selected developer will be required to contribute to a Project Expense Payment (PEP) account to pay for the Agency's staff and consultant expenses directly related to negotiating, analyzing, and administering the development agreement. In addition, the selected developer will be required to follow all City/Agency contracting procedures and to complete the applicable City/Agency forms that are typically required for development projects.

This development opportunity is being offered as a long-term ground lease, with the terms to be negotiated once the developer has been selected. However, the Agency may be willing to consider a land sale, depending on the nature of the proposed project and other factors.

² The Oakland Partnership is a joint planning effort sponsored by the Oakland Metropolitan Chamber of Commerce and the Office of Mayor Ronald V. Dellums.

SUSTAINABLE OPPORTUNITIES

Economic: The Agency's goals for potential development as described in this report would generate significant high-quality jobs and tax revenue; preserve and expand local businesses; and would increase land values in a vacant, blighted, abandoned military facility.

Environmental: The Agency's goals for potential development as described in this report would provide a mechanism to fund the environmental remediation of the Army Base; improve the waterfront; and allow for the development of an urban in-fill site.

Social Equity: The Agency's goals for potential development as described in this report would generate a range of jobs that are accessible to Oakland residents with a range of educational backgrounds. Revenue generated from the redevelopment of the Army Base could be used to fund open space and other community benefits for West Oakland and the rest of Oakland.

DISABILITY AND SENIOR CITIZEN ACCESS

This report does not involve the approval of any specific projects or programs. Disability and senior access issues would be addressed when specific development plans are submitted to the City by a developer for review and approval.

RECOMMENDATIONS AND RATIONALE

Pursuant to the Agency Board's direction on November 6, 2007, staff plans to issue a Request for Qualifications (RFQ) in early January 2008 for a Master Developer for the Gateway Development Area 108-acre site at the former Oakland Army Base. Staff has structured the RFQ to elicit information about prospective developers and how they would develop the site, so that the Agency Board may be provided with as much information as possible in order to determine its next steps when staff returns to the Agency in March 2008.

At this time, staff requests comments and feedback from the Agency Board on the attached RFQ (see Attachment A). After receiving input from the Agency, staff will finalize the language in the RFQ. Staff will work with the Oakland Partnership, other stakeholders and local media to build awareness of this development opportunity.

ACTION REQUESTED OF THE CITY COUNCIL/REDEVELOPMENT AGENCY

Staff recommends that the Agency provide comments and feedback on the proposed RFQ (Attachment A) and the RFQ process described in this report.

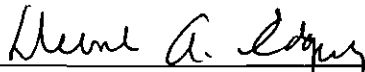
Respectfully submitted,



Gregory Hunter, Deputy Director
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APPROVED AND FORWARDED TO
THE CITY COUNCIL / REDEVELOPMENT AGENCY:



**OFFICE OF THE CITY ADMINISTRATOR
/ AGENCY ADMINISTRATOR**

Attachment A: Draft Request for Qualifications

REQUEST FOR QUALIFICATIONS
*Gateway Development Area of the
Former Oakland Army Base*



**CITY OF OAKLAND
COMMUNITY AND ECONOMIC DEVELOPMENT AGENCY
REDEVELOPMENT DIVISION**

Submittals Due: February 29, 2008

Attachment A

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INTRODUCTION

The Oakland Redevelopment Agency is offering an exciting opportunity to develop approximately 108 acres of the Gateway Development Area, which is located on the former Oakland Army Base in West Oakland (see map, **Attachment A**). The Site consists of four adjacent parcels: the “Central Gateway” (60 acres), “East Gateway” (14 acres), “West Gateway” (17.5 acres), and a 16.5-acre area along the waterfront that is reserved for open space, recreation, and related uses. The Redevelopment Agency is seeking a qualified master developer to transform the Site into a mixed use commercial and/or industrial development.



The Site offers a unique development opportunity: approximately 108 acres of open land at the geographic center of the Bay Area; located directly adjacent to the Port of Oakland; with stunning waterfront views and direct freeway access and visibility from I-80, I-580, and I-880. Situated near the base of the San Francisco-Oakland Bay Bridge, the Site serves as a major gateway into Oakland and the East Bay.

The Site is being developed as part of a larger vision for the surrounding area that includes: over \$1 billion in Port expansion projects; maritime-related industrial development; a 30-acre freeway auto mall; 1,500 units of market-rate housing; and other projects that will extend mixed-use development from Emeryville down Mandela Parkway to the West Oakland BART station.

The Gateway Development Area will require a capable, experienced developer team that has the expertise, financial capacity, and relevant experience to overcome many complex engineering, real estate, environmental, and development-related challenges.

This Request for Qualifications (RFQ) describes how developer teams may submit their qualifications in order to be considered for this exciting project. The Redevelopment Agency is requesting developers to provide their qualifications as part of a developer selection process.

Submittals are due **February 29, 2008**.

A Pre-submittal Conference Workshop will start at p.m. on January , 2008 at 250 Frank Ogawa Plaza in Downtown Oakland. Dates for site visits will be announced.

For questions about this RFQ, please contact Alex Greenwood, Community and Economic Development Agency, at (510) 238-6124 or agreenwood@oaklandnet.com, or visit the Redevelopment Agency website at <http://www.business2oakland.com/main/oaklandarmybase.htm>.

SITE DESCRIPTION

The Redevelopment Agency has compiled extensive site information for prospective developers. Following is a summary of the information currently available. More detailed information can be found in the Oakland Army Base Redevelopment webpage, which can be accessed at: <http://www.business2oakland.com/main/oaklandarmybase.htm>.

1. Background

The site being offered for development is shown in **Attachment B**. The Site is located within the former Oakland Army Base.

A. The Oakland Army Base Gateway Development Area

In 1999, the Oakland Army Base was decommissioned as part of a nationwide round of military base closures. In 2000, the City of Oakland established the Oakland Army Base Redevelopment Project Area, which includes the former military base and adjacent port and industrial lands.

On August 7, 2006, the Army Base property was conveyed to the Redevelopment Agency and the Port of Oakland. The Agency's portion of the Army Base is a 165-acre site known as the Gateway Development Area (GDA). For planning purposes, the GDA is divided into four sub-areas: the North, East, West, and Central Gateway areas (see map, **Attachment A**).

The North Gateway has been targeted for a new freeway auto mall; and portions of the East Gateway have been reserved for maritime-related industrial development. The remainder of the GDA is the subject of this RFQ.

The GDA will establish a new mixed-use commercial-industrial-recreational area of Oakland. The new development will offer the opportunity to fulfill Redevelopment Agency goals for the Site: create a wide range of high quality jobs, establish an iconic mixed-use development with stunning architecture at the gateway of Oakland, showcase green design and innovative technologies, generate community benefits for West Oakland, support the competitiveness of the Port of Oakland, and generate significant economic growth and revenue for the City.

B. Redevelopment Planning for the Gateway Development Area

During the past eight years, there have been several public planning efforts that examined the potential reuse of the GDA. **Attachment C** lists the planning documents, site analysis, and other studies that have been completed for the GDA, and that are available to developer teams seeking to perform due diligence on the Site.

In 2002, an Environmental Impact Report (EIR) was certified for the Oakland Army Base Redevelopment Project Area. A Supplemental EIR was certified in December 2006.

2. Site Description

The site being offered for development is identified in the map in **Attachment B**. The Site consists of four adjacent parcels:

- The “Central Gateway” parcel has approximately 60 gross acres. This parcel is available for immediate development, although it has several restrictions as described below. With direct adjacency to the Port of Oakland’s Outer Harbor Terminal, frontage along Maritime Street, and direct freeway access via West Grand, this parcel has many options for development.
- The “East Gateway” parcel fronts Maritime Street, opposite from the Central Gateway, and is directly adjacent to the Port’s planned Outer Harbor Intermodal Terminal (OHIT) project. This parcel is already reserved for two maritime-related developments that will provide truck parking and truck services. However, 14 acres of the East Gateway remain open for development and are being offered as part of this development opportunity.
- The “West Gateway” parcel has approximately 17.5 gross acres. This parcel is located at the end of a peninsula, with stunning views of the Bay and exceptional freeway visibility. The parcel is currently being leased to Caltrans as a staging area for the Bay Bridge construction project; and it will be available for development beginning in 2015.
- “Parcel E” has approximately 16.5 acres. Parcel E occupies a long, narrow stretch along the Oakland waterfront and has been reserved for open space, recreation, and related uses.

Altogether, the Site has approximately 108 gross acres of land, and is bound roughly by West Grand Avenue and Burma Road (to the north) and the Port of Oakland’s Outer Harbor Terminal area (to the south and west) and Outer Harbor Intermodal Terminal (to the east). The site is currently zoned M-40. Information on the zoning designation is available in the City’s Municipal Code, Title 17, Chapter 17.72 at <http://bpc.iserver.net/codes/oakland/>.

Located at the foot of the Bay Bridge, the Site is central to the entire Bay Area. It has a prominent waterfront location, and it offers direct freeway visibility and access from I-80, I-580, and I-880. With its large, open areas of land, the Site can attract large-scale developments (e.g., industrial, flex office, and/or retail centers). Thus, the Site provides a unique development opportunity to yield significant high-quality jobs, support and enhance Port activities, provide a place for new industries, create new access to and open space along the waterfront, and generate other community benefits for Oakland.

A. Desired and Permitted Land Uses

The Site offers an excellent opportunity for a wide range of industrial and commercial uses. The open land areas provide the flexibility to entertain larger-scale developments such as industrial parks, flex-office campus developments, and/or retail centers.

At the same time, the Site is surrounded by challenging uses and structures: freeways, rail, the Port, and a wastewater treatment plant. Accordingly, the mix of uses within the Site must be planned with care, in order to minimize potential land use conflicts.

In addition, the terms of the land conveyance from the U.S. Army placed several restrictions on the Site, (as set forth in the "Covenant to Restrict Use of Property" (CRUP) for the Army Base). As a result, the Site is subject to the following restrictions:

- Sensitive uses of residential housing, schools, daycare facilities, hospitals and hospices are prohibited;
- Construction and use of groundwater wells without prior California Department of Toxic Substances Control (DTSC) approval is prohibited;
- Surface or subsurface soil disturbing activities are allowed but must comply with Remedial Action Plan/Risk Management Plan (RAP)/(RMP);
- All owners and occupants must comply with RAP/RMP in managing the property;
- The Agency must submit an annual report to DTSC to certify compliance.

The CRUP, RAP/RMP, and the other governing environmental documents are available at the Oakland Army Base website: <http://www.oaklandnet.com/government/obra/hp.html>.

For the above reasons, the Agency has thoroughly studied the Site to determine the best land use options for development. In July 2007, the Agency contracted with the consulting firm of Design, Community & Environment (DC&E) to produce a comprehensive land use analysis of the GDA. (DC&E's Final Report, *Pre-Development Planning for the Oakland Army Base Gateway Development Area, Final Report*, is available at the Oakland Army Base website and highlights of the report are included as **Attachment D**.) DC&E outlined four possible development scenarios for the GDA that incorporate Agency goals for the Site, using market research, land use planning, and community input.

In addition to the DC&E analysis, the Agency has sought to coordinate its planning efforts with the Oakland Partnership, which is a joint planning effort sponsored by the Oakland Metropolitan Chamber of Commerce and the Office of Mayor Ronald V. Dellums. Based on analysis from DC&E, the Oakland Partnership, various community workshops, and other analyses, it appears that several types of uses are most appropriate for the GDA. These uses include:

- **Trade & Logistics:** Since the site is directly adjacent to the Port, it offers the opportunity to provide space for trans-load facilities, warehousing, trucking, and other logistics and maritime-related industrial uses. This type of development

would support the Port's operations and long-term expansion, generate high-quality jobs in a strategic employment sector, and address goods movement issues for the region.

- **Regional Retail:** Big box and/or lifestyle retail concepts could potentially be very successful in this location, due to Site's large open parcels, central location, and freeway visibility and access. Regional retail would provide important amenities for the entire city and would have a direct synergy with the freeway auto mall.
- **Film Production, Green Industries, and Other Flex Office Uses:** The Site may be able to attract a variety of emerging industries that all demand a similar type of flex office space. These industries include biotechnology, life sciences, film production, multimedia, green industries, and other industries that involve creative and technology-oriented work taking place in large, open, flex office or light industrial spaces. Several of these industries are experiencing robust growth with great potential for the future – and they may be attracted to the GDA, due to its proximity to U.C. Berkeley and other major scientific, medical, and research institutions; its central location with available land; and its access to the East Bay's existing infrastructure of professionals and small businesses involved in green industries, film production, and other creative industries.

Although the Redevelopment Agency has not endorsed any specific land use or development scenario for the GDA at this time, the Agency seeks feedback through this RFQ from prospective developers as to what uses would be most feasible.

B. Site Constraints & Requirements

The Site has many physical challenges, real estate restrictions, and other issues that will make development extremely complex, expensive, and long-term. Prospective developers are strongly encouraged to study the site thoroughly and to consult all of the information available at the Oakland Army Base Redevelopment webpage, which can be accessed at: <http://www.oaklandnet.com>. Some of the major issues include:

- **Infrastructure.** All existing roads and utilities must be replaced to service the Site. Although the West Gateway is not available for development until 2015, it is anticipated that most of the utility service must come through the Central Gateway – so that the infrastructure for both the Central and West Gateway parcels should be planned concurrently.
- **Soil Conditions.** The site was originally built on filled land and has issues with subsidence and liquefaction. As a result, new soil must be added. Buildings may need piles or other costly foundation systems to meet seismic safety standards.
- **Environmental Remediation.** The City/Agency and the Port completed the environmental investigation and testing of the Site, and completed the

remediation of several contaminated areas within the Site. Contaminated soils and groundwater are known to exist in several other areas in the Site, but it is most cost-effective to clean these sites at the same time that development starts construction. If any further remediation is required, the level and cost of remediation would depend upon a number of factors (e.g., proposed development type, utilities, configuration of internal street and parking areas, etc.). The California Department of Toxic Substances Control (DTSC) approved a Remedial Action Plan (RAP) and a Risk Management Plan (RMP) to establish the clean-up goals and procedures that apply to this Site as well as the entire former Oakland Army Base. The Agency may require the master developer to assume some of the remediation and reporting requirements required by the RAP, RMP and CRUP. In general, the City/Agency will be able to reimburse the developer for qualifying remediation costs. As mentioned above, the governing environmental and real property documentation is available at the Oakland Army Base Redevelopment Webpage, at www.oaklandnet.com.

- ***Ownership & Title Issues.*** Although the Agency has full ownership and control of the site, several exceptions to title exist that may need to be resolved prior to the commencement of development.
- ***Port Construction Easement.*** The Port has easement rights in the Central Gateway, to provide them with access during the construction of the adjacent Berth 21 project.
- ***EIR Mitigation Measures.*** The 2002 Environmental Impact Report (EIR) for the Oakland Army Base Redevelopment Area identified several mitigations that must be carried out at the time that the GDA is developed. For example, the EIR identifies traffic improvements that must be built and funded on a fair-share basis by the Port and the City/Agency. Other mitigations address air quality, cultural resources and historic preservation (see below), and the impacts of trucking in West Oakland. A list of these mitigations is available at the Oakland Army Base Redevelopment webpage, which can be accessed at: <http://www.oaklandnet.com>.
- ***Historic Preservation.*** The East Gateway includes several existing warehouses that contribute to a historic district. It may be possible to preserve and reuse one or more of these structures. Pursuant to EIR mitigation measures, the Agency plans to work with the selected developer to determine how much (if any) of the warehouse structures could be preserved and incorporated into the development of the Site. The Agency has conducted an architectural feasibility study of the site, which is available at the Oakland Army Base Redevelopment webpage.
- ***West Oakland Community Fund.*** Under an agreement between the Redevelopment Agency and the Port of Oakland, a fund to benefit the West Oakland Community will be established. Developers will be assessed a one-time contribution to this fund.

C. Adjacent Uses & Other Existing Conditions

Several developments are planned for areas within or immediately adjacent to the Site, and therefore should be considered during the master planning process. These include:

- **Freeway Auto Mall.** The Agency plans to create a freeway auto mall within the 28-acre North Gateway section of the GDA. The so-called “Bay Bridge Auto Mall” will include a minimum of six dealerships.
- **JATC Facility.** The Bay Area Joint Apprenticeship Training Committee (JATC) is a nonprofit organization that provides job training in construction and other trades. As part of the overall conveyance of the Army Base, JATC received the right to three acres within the GDA for the purpose of building a job training facility.
- **15 Acres of Ancillary Maritime Support.** The San Francisco Bay Conservation and Development Commission (BCDC) requires the Agency to develop 15 acres of Ancillary Maritime Support (AMS) uses in the East Gateway. To fulfill this requirement, the Agency is now in negotiations with a developer to build and operate a 15-acre trucking center in the East Gateway.
- **Caltrans Construction Activity.** Major construction is underway to rebuild the East Span of the San Francisco-Oakland Bay Bridge. Currently, Caltrans is using the West Gateway parcel as a staging area. As a result, the West Gateway will not be available for development until 2015, and must be considered a second phase of the overall development. In addition, Caltrans will continue to operate a maintenance facility on Burma Road, immediately adjacent to the Central and West Gateway parcels.
- **Existing Army Base Tenants.** Prior to the long-term development of the GDA, the Agency has been leasing space to several organizations on a short-term, interim basis. These tenants include seven logistics companies and a collaborative of 16 film production firms. The Agency is under no obligation to extend any of these leases. However, the Agency wishes to retain these businesses in Oakland and relocate them in an orderly manner when the GDA is developed.

3. Ground Lease of Site

This development opportunity is being offered as a long-term ground lease, with the terms to be negotiated once the developer has been selected. However, the Agency may be willing to consider a land sale, depending on the nature of the proposed project and other factors.

CITY/AGENCY GOALS & DEVELOPER SELECTION CRITERIA

The Agency intends to select a qualified developer team that is able to deliver a high-quality, financially successful development while achieving several policy goals.

1. City/Agency Goals

The Agency and the City of Oakland seek to develop the Site in a manner that will advance the following overall policy goals:

- **Gateway Development.** The GDA has one of the most visible locations in the entire East Bay, with a dramatic waterfront location at the western entrance to Oakland. For this reason, the City is seeking a developer that can realize the City's vision of an iconic development for the GDA that capitalizes on the uniqueness of the site and symbolizes the vitality, innovation and culture of Oakland. This will require an integrated village of robust economic uses, good urban design, and stunning architecture. Using these elements of high quality development, the GDA can help to enhance the city's image and create business opportunities throughout Oakland.
- **Job Creation.** The City is committed to the GDA development as an engine for high-quality job creation. The GDA should be developed with strategic industries expected to grow over time and provide a range of jobs that fit with the varying workforce skills of Oakland residents.
- **Green & Innovative Development.** The GDA site should be a showcase for green development of the most innovative products and design. The City is committed to encouraging green businesses and industries. The development itself should adhere to the greenest of principles – in construction, building materials, use of alternative energy sources, and technology.
- **Community Benefits.** The GDA should be developed in a way that provides real, long-term benefits to the West Oakland community and to residents throughout Oakland. This development has the potential to create new job opportunities for local residents, business opportunities for local businesses, and/or amenities (such as shopping and open space) for the West Oakland community.
- **Coordination & Support for Port Projects.** The Port provides an important economic engine for Oakland, and its long-term competitiveness should be supported. The Port has received over 700 acres of former military land (i.e., the Navy's Fleet and Industrial Supply Center and Oakland Army Base) which the Port is using to modernize and expand its operations. The City/Agency should consider the Port's needs when determining the strategy for the GDA. At the same time, it is reasonable

to ask if the Port is making the most efficient use of its own land, and if it could provide more land for logistics, trucking, and other key industries.

- **Government Revenue.** The GDA is anticipated to generate significant revenue from property tax increment, sales tax, and land sale proceeds.
- **Project Quality & Delivery.** For this project, the Agency seeks to partner with a developer that has demonstrated expertise and experience with similar developments.

In addition, developers are being asked to support the following urban design and planning principles:

Urban Design

- Master plan the GDA to achieve a uniform, high-quality appearance and to assure the coordination of infrastructure planning and mix of uses.
- Maintain and enhance public views to the water while respecting Port activities.
- Require a strong set of public realm improvements, including roadway design, pedestrian paths, plazas, public landscaping, etc., that reflect both the historical characteristics and the new set of uses. Reuse of buildings or components of buildings on the site is strongly encouraged where financially feasible.
- Provide a range of commercial, recreational, cultural and new business activities that reinforce the destination/gateway quality of the site and provide a complimentary set of land uses that create synergy.
- Configure and design buildings to spatially define and reinforce the industrial character of the area and to strengthen the urban design character of the streets and open spaces.
- Incorporate flexibility and scalability into the site layout, so that the development can continue to evolve and become more densely developed over time.
- Introduce ground level commercial activities that are directly linked with open space, recreational and work spaces, to encourage pedestrian circulation and activity.
- Develop a strong, dynamic composition of taller and shorter buildings that provide new identity for the area, take advantage of its location at the foot of the Bay Bridge and acknowledge the transportation related uses that surround it (rail, water and roadway.)

Economic Development & Industrial Support:

- Support industrial businesses as key economic development components of the Gateway Development Area.
- Provide a broad range of high quality jobs that benefit Oakland residents and offer a living wage.
- Continue an ongoing collaboration with all major stakeholders, including the Oakland Partnership, Chamber of Commerce, West Oakland groups, and others.

- Lead the nation in achieving green development. This is achieved both by targeting green businesses and by incorporating green development practices into general retail, office, and R&D development.
- Over time, maintain a dynamic and fluid plan in order to respond to changing market conditions, the evolving needs of the Port of Oakland, and with an emphasis on minimizing land use conflicts between new activities and Port operations.

2. Expectations of Master Developer

The Agency is seeking a master developer to handle all aspects of the planning and development of the Site. The developer's role is expected to include, but not be limited to, the following tasks:

- Completing a master plan for the Site, working in partnership with the Agency under an Exclusive Negotiation Agreement;
- Performing all necessary due diligence, site planning, engineering, market analysis, and other predevelopment activities;
- Entering into a long-term ground lease of the Site;
- Securing entitlements and government approvals necessary for development of the Site;
- Preparing and securing a final subdivision map for the property, including the construction and/or installation of all on- and off-site, infrastructure, and utility improvements as required for the subdivision;
- Resolving any outstanding title, easement, or other real estate issues necessary to complete the project.
- Obtaining all necessary financing;
- Clearing, grading and preparing the site for development in general conformance with the Oakland Army Base Remedial Action Plan and other relevant documents;
- Taking the lead role in all aspects of the development of the Site.

3. Developer Selection Criteria

In order to prepare a competitive submittal, developers will have to meet or exceed the minimum development requirements specified for the Site and the requirements of the City/Agency. The criteria for selection of the master developer are expected to include the following:

- Financial capacity to develop the site.
- Proven ability of developer to possess or attract equity and debt capital for a project of this type as evidenced by: (a) financings of comparable projects, (b) financial status, and (c) on-going relationships with financial sources.
- Proven ability to work with public agencies, preferably redevelopment, to achieve development desired by the public sector.
- Prior relationships with quality retail, office, and/or industrial tenants.

- Proven track record of completing projects of comparable type, scope, and quality envisioned;
- Proven ability to implement projects quickly, effectively, and on budget.
- Experience with development within an urban context;
- Ability to partner with local organizations and/or address community concerns.

SELECTION PROCESS & TIMELINE

Developer submittals are due on February 29, 2008. The submittals will be analyzed based upon the criteria described in this RFQ. Developer teams may be requested to make a presentation before a selection panel set up by the Agency.

The recommendations of staff will then be forwarded to the Agency Board. The Agency may select a master developer at that time – in which case the Agency would enter into an Exclusive Negotiating Agreement (ENA) with the selected developer for the purpose of negotiating a development agreement for the site. Alternatively, the Agency may select one or more developers to work with Agency staff to develop a detailed proposal that would be presented to the Agency.

Upon completion of the developer selection process, the Agency will negotiate a development agreement with the selected developer team, subject to approval by the Agency Board. The selected developer will be required to contribute to a Project Expense Payment (PEP) account to pay for the Agency’s staff and consultant expenses directly related to negotiating, analyzing, and administering the development agreement. In addition, the selected developer will be required to follow all City/Agency contracting procedures and to complete the applicable City/Agency forms that are typically required for development projects.

The process is anticipated to follow the timeline summarized below:

RFQ Issued	January __, 2008
Pre-Submittal Meeting and Site Tour(s)	January __, 2008
Qualification Packages Due	February 29, 2008
Selection of Qualified Developer(s)	March 2008

As currently envisioned, this development would be structured as a long-term ground lease, with the terms to be negotiated at the time a developer team is selected.

SUBMITTAL REQUIREMENTS

RFQ submittals must include the information requested below. Please provide six (6) complete sets of the information requested below -- with the exception of the Financial Capacity materials, of which two (2) sets are to be submitted under separate cover stamped "Confidential." The submittal should be organized into sections and separated by tabs with the same titles as those provided below.

1. Transmittal Letter

Please address the letter to:

Mr. Gregory Hunter
Deputy Director, Economic Development and Redevelopment
City of Oakland
Community and Economic Development Agency
250 Frank Ogawa Plaza, Suite 5313
Oakland, CA 94612

2. Development Team

Identify the lead development entity that has the legal authority to contract directly with the Agency, including all joint venture/limited partners and their percentage interest. Please identify the individual who is the point of contact for the submittal, and provide full contact information: name, mailing address, telephone and fax numbers, and email address.

Identify all team members and include resumes of key individuals. The list of team members must include all organizations/persons performing work under sub-contracts. Joint ventures are acceptable, as long as one organization is designated as the lead development entity. A clear division of responsibilities and personnel should be outlined in the submittal with a clear delineation of authority as to each member of the team. Identify any team members that qualify as Small Local Business Enterprises (SLBE) and/or Local Business Enterprises (LBE). LBEs should submit a copy of current business license and date established in Oakland.

3. Qualifications

a. Previous Development Experience

Provide descriptions of comparable projects, including dates, location, concept, size, costs, and the unique challenges of the projects. Provide evidence of project experience, particularly with mixed-use office, retail and/or industrial parks uses, with emphasis on the following:

- Precise role of each partner in implementing the development and managing the comparable projects;
- Financial structure of the projects, including amount and source of equity and debt financing uses. The developer should provide the names and phone numbers of lenders and any joint venture partners for up to four of the most relevant projects listed above;
- Quality of design and landscaping (provide photographs of projects);
- Demonstrated success in securing industrial, office, and/or retail tenants, including the types and quality of tenants secured;
- Current contact information for each development;
- Ability to successfully conduct market analysis as part of the master planning of a large-scale development;
- Demonstrated success in master planning and constructing the infrastructure for a development consisting of at least 10 acres of land; and
- Success in negotiating and developing projects in conjunction with the public sector.
- Familiarity with City planning procedures, zoning regulations, and a range of implementation procedures.

b. Financial Capacity

(Note: Please provide under separate cover stamped "Confidential")

Provide experience of access to equity capital and financing resources to carry out the proposed project, supported by:

- Sources of equity that are currently available to developer for this project;
- Financial statement for past 3 years;
- Composition of real estate portfolio by type and occupancy percentage.

Also please respond to the following questions:

- Is the development entity or any named individual in the proposed project involved in any litigation or disputes that could result in a financial settlement having a materially adverse effect on the respondent's ability to execute this project? If yes, please explain.
- Has the development entity or any named individual in the proposed project ever filed for bankruptcy or had projects that have been foreclosed? If yes, please list the dates and circumstances.
- What steps is the development entity prepared to take to ensure local equity participation in the project? Please indicate whether the development team includes an Oakland-based partner and, if so, what percent of project financing they are anticipated to contribute.

4. Proposed Project Concept:

Provide a detailed description of the proposed project, including:

- Project narrative;
- List of types of uses (e.g., types of industrial, flex-office, retail, etc.);
- Estimates of land area (in acres) and total developed floor area (in square feet) devoted to each use;
- A conceptual site plan for the proposed development;
- Brief description of initial architectural concepts to be used;
- Estimated number of jobs generated by project.

5. **References:**

Provide four business-related references, giving name, company, address, and telephone number and business relationship to firm(s).

Deadline for Submittals

Six (6) complete sets of the submittal plus two (2) sets of the Financial Capacity materials are due by **4:00 p.m. on Friday, February, 29 2008**. Address submittals to:

Mr. Gregory Hunter
Deputy Director, Economic Development and Redevelopment
City of Oakland
Community and Economic Development Agency
250 Frank Ogawa Plaza, Suite 5313
Oakland, CA 94612

Submittals must be received by due date and time. Postmarks will not be accepted. The Agency reserves the right in its sole discretion to reject any or all submittals.

RFQ General Conditions (Disclaimer)

1. All responses to the RFQ become the property of the Agency.
2. This RFQ does not commit the Agency to award a contract or to pay any costs incurred in the preparation of the proposal.
3. The Agency reserves the sole right to evaluate each proposal and to accept or reject any or all proposals received as a result of this RFQ process.
4. The Agency reserves the right to cancel in part, or in its entirety, this RFQ and to waive any irregularities in the RFQ process.
5. The Agency may require Development Team to participate in negotiations and to submit technical information, or other revisions to qualifications as may result from negotiations.

6. California Public Records Act and the City of Oakland Sunshine Ordinance - Once a final award is made, all RFQ responses except certain financial and proprietary information become a matter of public record and shall be regarded by the Agency as public records. The Agency shall not in anyway be liable or responsible for the disclosure of any such records or portions thereof if the disclosure is made pursuant to a request under the California Public Records Act or the City of Oakland Sunshine Ordinance. Respondents should be aware that under the California Public Records Act and the City of Oakland Sunshine Ordinance, all documents submitted in response to this RFQ, including financial information, are considered public records and may be subject to public disclosure.
7. The operator selected for this project shall obtain or provide proof of having a current City of Oakland Business License.
8. Council Policies and Procedures – Developers must comply with all City Council policies and established procedures as outlined in **Attachment E** (the City’s LBE/SLBE Program and the Schedules included in **Attachment E**).
9. Under the requirements of OMB Circular A-133 Supplement, Part 3, Section 1, the City is required to obtain certifications that contractors and sub-grantees receiving awards exceeding \$100,000 have not been suspended or debarred from participating in federally funded procurement activities.
10. The Agency reserves the unqualified right to modify, suspend, or terminate at its sole discretion any and all aspects of the RFQ and/or RFQ process, to obtain further information from any and all operator teams and to waive any defects as to form or content of the RFP or any responses.

APPENDIX MATERIALS

- A. Area Map
- B. Site Map
- C. List of Web Links to Resources & Planning Documents
- D. DC&E Land Use Analysis (Selected Excerpts)
- E. City of Oakland Statutes, Regulations, Policies and Procedures