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OFFICE OF THE AGENCY ADMINISTRATOR
2011 JUL 12 PM 3:00

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

To: Office of the Agency Administrator
Attn: P. Lamont Ewell, Interim Agency Administrator
From: Community and Economic Development Agency
Date: July 12, 2011

RE: Agency Resolution Authorizing an Exclusive Negotiating Agreement with the Oakland Economic Development Corporation For Development of Phase I of the Transit Village at the Coliseum BART Station, and Authorizing a Predevelopment Loan for the Project In An Amount Not To Exceed \$400,000

SUMMARY

Staff requests approval of a resolution authorizing the Agency Administrator to negotiate and execute an Exclusive Negotiating Agreement (ENA) with the Oakland Economic Development Corporation (OEDC) to pursue the planning and development of a transit village at the Coliseum BART Station.

The proposed Exclusive Negotiating Agreement with OEDC is for a period of twelve months and will provide for the evaluation of project feasibility and the initiation of the environmental review process. In addition, the proposed ENA will include an option for the Agency Administrator to extend the ENA for an additional six months to allow for completion of all of the required submittals to cover the environmental review period if necessary.

FISCAL IMPACTS

Authorization to enter into an ENA with OEDC would allow the Agency to allocate up to \$400,000 towards pre-development costs. Funds would come from the Redevelopment Agency's Coliseum Tax Allocation Bond 2006T (Taxable) Bond Fund (9456), Economic Development Organization (94800), Coliseum Land Acquisition Project (T315820). As part of the ENA, OEDC will be required to conduct predevelopment work at the proposed site.

The predevelopment work may include appraisals, feasibility reports and the securing of a consultant to prepare a joint Environmental Impact Report/Environmental Impact Statement (EIR/EIS). Any Agency participation in the funding of these or any other development related activities would be presented to this review/approval body once it has been determined what level of financial commitment is required by the Agency.

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BACKGROUND

A Coliseum Transit Village Concept Plan has been previously created that provides a long-term land use vision for development of the area surrounding the Coliseum BART Station. The vision includes a concentration of residential and mixed-use commercial development designed to take advantage of the transit hub improvements and other public investments in the area. The Concept Plan also supports the objectives identified in BART's Strategic Plan, the Oakland Redevelopment Agency's Coliseum Area Redevelopment Plan and the City's General Plan.

The Oakland Economic Development Corporation is a 501 (c) (3) tax exempt, not-for-profit corporation. OEDC is governed by a Board of Directors with economic development expertise from the business, government, non-profit and community sectors of Oakland. The mission of OEDC is to improve the quality of life in East Oakland placing special emphasis on African-American residents, through the identification and development of real estate opportunities.

Concurrently, OEDC has been working together with BART on finalizing their Exclusive Negotiating Agreement in order to assess the possibility of developing the Coliseum BART Station property. Together, they will determine the feasibility of the project based on negotiations of the terms for an OEDC long-term ground lease of the BART property for development by OEDC.

Most recently, OEDC has executed a Memorandum of Understanding with UrbanCore, a leading minority-owned real estate development firm. This MOU identified UrbanCore as the fee developer for the Coliseum Transit Village project. The company primarily focuses its investments in development and redevelopment projects in central cities and urban infill areas, as well as along public-transit corridors. UrbanCore has an emphasis on both affordable and market rate housing as well as mixed use residential projects, either through joint ventures with other developers or acting as its own development entity. UrbanCore is headquartered in San Francisco, with local offices in Berkeley.

The Agency's ENA memorializes the Agency's as well as OEDC's roles and responsibilities under the proposed negotiating period. As a condition of this ENA, OEDC seeks a predevelopment loan to fund the predevelopment activities during the timeframe of the agreement. If the Agency Board authorizes an Exclusive Negotiating Agreement with OEDC, the following issues will be addressed:

- Further negotiations in order to define the ultimate relationship between the Agency and OEDC.
- Secure evidence that requisite funding has been obtained to ensure that a project can be developed.
- In partnership with BART, OEDC and Agency staff will conduct due diligence efforts to ensure that a proposed project represents the highest and best use of subject property and would fulfill the Agency's joint development objectives to the maximum extent feasible.

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- Conduct and pursue further discussions with BART towards their continued support for a mixed-use project and to determine activities and a schedule to secure BART's formal approval for a project.
- Agency can terminate ENA prior to its term expiration for cause.

Staff is requesting Agency Board authorization to enter into an ENA with OEDC. Presuming a viable project is identified, staff will return to Board for approval of the final development proposal. The City Attorney's Office will approve the ENA as to form and content.

KEY ISSUES AND IMPACTS

The Exclusive Negotiating Agreement between the Agency and OEDC is for the purpose of determining the capacity of OEDC to deliver on the project and for studying and evaluating the feasibility of the development of a transit village at the Coliseum BART station. In order to assist the review and approval process of the required submittal items, the Agency and BART intend to negotiate and manage two distinct and parallel ENA agreements. Some of the key concurrent tasks that are proposed to be included in the agreement are:

- OEDC will submit a project description suitable for the environmental review process that includes site plans, elevations, proposed project scaling and circulation. The project description will be reviewed by the Agency and BART, and will be presented to the community for review and comment prior to being finalized.
- OEDC will develop a project pro forma to evaluate the financial feasibility of the project that will include an analysis of the need for financial assistance from the Agency and grant funds from alternative funding sources.
- The work products generated by OEDC under this ENA will become property of the Oakland Redevelopment Agency for its future use as needed.
- The Agency will authorize work to begin on a consultant contract to complete an EIR/EIS for the project.

The Exclusive Negotiating Agreement will be for a period of twelve months terminating in July 2012. The ENA will include a six month extension option, subject to the Agency Administrator's discretion or his/her designee's, which will cover the period until the submittals have been met or the term expires.

SUSTAINABLE OPPORTUNITIES

Economic: The proposed transit oriented development will complement and maximize the housing benefits in the Coliseum East Oakland area. This project will improve neighborhood conditions and make the neighborhood area more attractive to current and prospective residents, tenants and businesses that can provide employment within Oakland.

Environmental: The proposed transit oriented development is expected to contribute to smart growth by stimulating neighborhood housing adjacent to mass transit thereby reducing pollution and carbon emissions.

Social Equity: The neighborhood has suffered from economic blight and has been historically underserved. The proposed transit oriented development provides a positive stimulus to the neighborhood where the development of vacant land is both welcomed and important to continued neighborhood growth and stability.

DISABILITY AND SENIOR CITIZEN ACCESS

The authorization of the ENA will have no impact on disability and senior citizen access. Any future developments on the site will be required to comply with state and federal accessibility requirements, including Federal ADA Accessibility Guidelines, the Fair Housing Act and the State of California's Title 24 Accessibility Regulations.

RECOMMENDATION AND RATIONALE

Staff recommends that the Agency Board approve the attached resolution to:

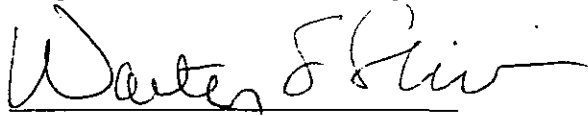
- a. Authorize the Agency Administrator to negotiate and execute an Exclusive Negotiating Agreement (ENA) with the Oakland Economic Development Corporation (OEDC).
- b. Pursue the planning and development of a transit village at the Coliseum BART Station.
- c. Allow an ENA with OEDC for a period of twelve months to provide for the evaluation of project feasibility and the initiation of the environmental review process.
- d. Authorize an Agency loan expenditure of up to \$400,000 to OEDC to fund predevelopment activities related to the project.
- e. Recommend that the proposed ENA include an option for the Agency Administrator or her designee to extend the ENA an additional six months to allow for completion of all required submittals.
- f. Agency can terminate ENA prior to its term expiration for cause.

The proposed development of a transit oriented development at the Coliseum BART Station would not only support the Agency's five year implementation plan but would also promote housing, education and employment opportunities that will ultimately provide greater use of public transportation at a vital transit hub linking Capitol Corridor, BART, AC Transit, and the Oakland International Airport via the Oakland Airport Connector to the Alameda County Coliseum Complex. The project also meets the Redevelopment Agency Budget Priorities to renew infrastructure and remove physical blight.

ACTION REQUESTED OF THE CITY COUNCIL/ AGENCY BOARD

Staff recommends approval of the attached resolution authorizing the Agency Administrator to negotiate and execute an Exclusive Negotiating Agreement with the Oakland Economic Development Corporation to pursue the planning and development of a transit village at the Coliseum BART Station and authorizing the expenditure of \$400,000 to OEDC for pre-development costs associated with the Coliseum Transit Village. The proposed Exclusive Negotiating Agreement with OEDC is for a period of twelve months and will provide evaluation of project feasibility and the initiation of the environmental review process. Furthermore, the proposed ENA will include an option for the Agency Administrator or his/her designee to extend the agreement following the completion of all the required submittals.

Respectfully submitted,

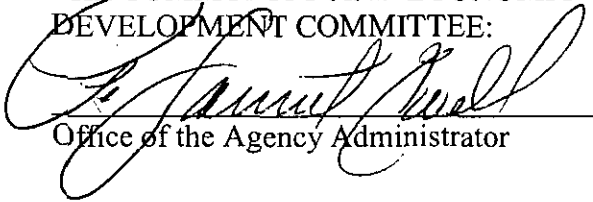


Walter S. Cohen, Director
Community and Economic Development Agency

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

Prepared by:
Larry Galicgos, Manager
East Oakland Redevelopment

APPROVED AND FORWARDED TO
THE COMMUNITY AND ECONOMIC
DEVELOPMENT COMMITTEE:


Office of the Agency Administrator

APPROVED AS TO FORM AND LEGALITY:

[Signature]
Agency Counsel

REDEVELOPMENT AGENCY OF THE CITY OF OAKLAND

RESOLUTION No. _____ C.M.S.

AGENCY RESOLUTION AUTHORIZING AN EXCLUSIVE NEGOTIATING AGREEMENT WITH THE OAKLAND ECONOMIC DEVELOPMENT CORPORATION FOR DEVELOPMENT OF PHASE I OF THE TRANSIT VILLAGE AT THE COLISEUM BART STATION, AND AUTHORIZING A PREDEVELOPMENT LOAN FOR THE PROJECT IN AN AMOUNT NOT TO EXCEED \$400,000

WHEREAS, the Redevelopment Agency is working to redevelop the Coliseum BART Station parking lot property into a transit village; and

WHEREAS, the Oakland Economic Development Corporation (OEDC) has recently executed an MOU with UrbanCore, a leading minority-owned real estate development firm headquartered in San Francisco and with offices in Berkeley, concerning the transit village project; and

WHEREAS, the Agency and the OEDC want to enter into a period of preliminary study and negotiations over the project, and agree that this does not constitute a binding commitment on the part of the Agency to any developer or to participate in any project; and

WHEREAS, OEDC is seeking a predevelopment loan in the amount of \$400,000 to cover associated costs with predevelopment activities related to project, and said funds are currently available in the Coliseum Tax Allocation Bond Series 2006T (Taxable) Bonds Fund (9456), Economic Development Organization (94800), Coliseum Land Acquisition Project (T315820) for this purpose; now therefore be it

RESOLVED: That the Agency Administrator is authorized to negotiate and enter into an Exclusive Negotiating Agreement with the OEDC for purposes of studying and evaluating the feasibility of, and negotiating terms and conditions for the potential development of phase I of a transit village at the Coliseum BART Station parking lot, including, but not limited to, the following provisions:

- OEDC will submit a project description suitable for environmental review purposes that includes site plans, elevations, proposed project staging and circulation, and interim replacement parking strategies for the existing BART surface parking;

OAKLAND ECONOMIC DEVELOPMENT CORPORATION

- **OEDC** will develop a project pro forma to evaluate the financial feasibility of the project that will include an analysis of the need for financial assistance from the Redevelopment Agency and grant funds from other funding sources;

and be it

FURTHER RESOLVED: That the exclusive negotiating period will be for 12 months, with the option to extend said period an additional six months at the discretion of the Agency Administrator or her designee, until the Environmental Impact Report/Environmental Impact Statement for the project is certified; and be it

FURTHER RESOLVED: That the Agency hereby authorizes a \$400,000 zero-interest predevelopment loan from Coliseum Tax Allocation Bond Series 2006T (Taxable), Entity 5, Fund 9456, Org 94800 to **OEDC** to fund predevelopment costs associated with the Coliseum BART transit village project; and be it

FURTHER RESOLVED: That the term of the predevelopment loan shall be for 15 years, with repayment of the loan deferred during the term until the developer has completed the redevelopment of the project 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 work product funded by the loan, as well as other development rights for the project, shall be security for the loan and shall be assigned to the Agency upon default by the developer in the performance of its loan obligations, including obligations to pursue development of the project; and be it

FURTHER RESOLVED: That the Agency has independently reviewed and considered this environmental determination; and the Agency finds and determines that this action complies with CEQA because this action on the part of the Agency is exempt from CEQA pursuant to Section 15262 (feasibility and planning studies), Section 15306 (information collection) and Section 15061(b)(3) (general rule) of the CEQA Guidelines; and be it

FURTHER RESOLVED: That all documents shall be reviewed and approved as to form and legality by Agency Counsel prior to execution; and be it

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

FURTHER RESOLVED: That the Agency hereby authorizes the Agency Administrator, or his or her designee, to negotiate and execute documents and take all other actions necessary with respect to the Exclusive Negotiating Agreement, the predevelopment loan, and the project consistent with this Resolution and its basic purpose.

IN AGENCY, OAKLAND, CALIFORNIA, _____, 2011

PASSED BY THE FOLLOWING **VOTE:**

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

NOES-

ABSENT-

ABSTENTION-

ATTEST: _____

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