



CITY OF OAKLAND

FILED
OFFICE OF THE CITY CLERK
OAKLAND
2012 NOV 14 PM 4:03

AGENDA REPORT

TO: DEANNA J. SANTANA
CITY ADMINISTRATOR

FROM: Fred Blackwell

SUBJECT: Caltrans Transaction

DATE: October 22, 2012

City Administrator
Approval

Date

11/5/12

COUNCIL DISTRICT: 3

RECOMMENDATION

Staff recommends that the City Council adopt:

A Resolution Authorizing the City Administrator to Negotiate and Execute a Purchase and Sale Agreement with Caltrans for the Sale of An Approximately 3-Acre Fee-Owned Parcel and 3-Acre Easement Area Located at the Former Oakland Army Base for \$5,750,000, Less Any Costs for Required Easements

OUTCOME

The City will sell an approximately 3-acre fee-owned parcel and approximately 3-acre easement area to Caltrans and the Oakland Army Base Project will receive approximately \$5,750,000 from Caltrans for this property sale, less any costs for easements needed across this property. The City will execute and deliver a Grant Deed for the approximately 3-Acre Fee-Owned Parcel and a Quitclaim Deed for the approximately 3-Acre Easement Area.

BACKGROUND/LEGISLATIVE HISTORY

In January 2012, the City of Oakland acquired a number of former Oakland Army Base parcels from the Oakland Redevelopment Agency, including a 9.5-acre parcel of land commonly referred to as Parcel C-1, and a perpetual easement across an approximately 3-acre parcel commonly referred to as Parcel U-1 (sometimes referred to as Caltrans Parcel 8). Parcel C-1 was transferred to the City subject to a 2005 Caltrans Purchase and Sale Agreement executed by the City and Caltrans based on Caltrans' stated need for a 6.5-acre portion of Parcel C-1 to support the Bay Bridge Construction Project and future Caltrans Maintenance Complex. The promotion and expansion by Bay Area Transportation Agency (BATA) and Bay Conservation and Development Commission (BCDC) of a world class "Gateway" park at the foot of the Bay Bridge touchdown in Oakland has shifted the planned Caltrans Maintenance Complex east, requiring the acquisition by Caltrans of additional City-owned Oakland Army Base property,

Item: _____
CED Committee
November 27, 2012

specifically the remaining approximately 3-acres of parcel C-1 and the approximately 3-acre Parcel U-1 easement area. Caltrans has offered to purchase the remaining approximately 3-acres of parcel C-1 and the approximately 3-acre Parcel U-1 easement area from the City to support the Bay Bridge Construction Project and Caltrans Maintenance Complex east for a purchase price of \$5,750,000 less any costs for required easements.

The City and East Bay Municipal Utility District (EBMUD) entered into a Memorandum of Agreement dated July 19, 2012 ("EBMUD MOA") to resolve mutual Army Base related issues including relocation of Wake Avenue and construction of a second means of ingress and egress to the EBMUD Main Waste Water Treatment Facility along an extended and improved Engineers Road, which requires the reservation of required easements over Parcel C-1 and Parcel U-1.

ANALYSIS

Implementation of the EBMUD MOA, specifically the construction of the extended Engineers Road, requires easements across Parcel C-1 and Parcel U-1. The land area necessary for these easements diminishes the value of Parcel C-1 and Parcel U-1 and subsequently will reduce the proposed \$5,750,000 purchase price to be paid by Caltrans to the City.

Staff recommends the City Council accept the offer from Caltrans to purchase the remaining approximately 3-acres of parcel C-1 and the approximately 3-acre Parcel U-1 easement area from the City for \$5,750,000 less any costs for the easements required by the EBMUD MOA for the construction of an extended Engineers Road.

PUBLIC OUTREACH/INTEREST

Other than discussions and negotiation with Caltrans, this item did not require any additional public outreach other than the required posting on the City's website.

COORDINATION

This action has been coordinated with the City Attorney's Office and Budget Office. The City Attorney's Office was instrumental in coordinating the EBMUD MOA and has provided continued guidance and feedback on the proposed transaction with Caltrans.

COST SUMMARY/IMPLICATIONS

1. **AMOUNT OF RECOMMENDATION:**

The proposed action will generate approximately \$5,750,000 in property sales revenue to the City of Oakland's Army Base Project less any costs for required easements.

Item: _____
CED Committee
November 27, 2012

2. **COST ELEMENTS OF AGREEMENT/CONTRACT:**

The estimated cost for the transaction, including appraisal costs and transactional costs is approximately \$20,000.

3. **SOURCE OF FUNDING:**

Army Base Leasing funds were used to pay for the approximately \$20,000 in appraisal costs and other transactional costs.

4. **FISCAL IMPACT:**

The fiscal impact to the City is a net gain of revenue to the Army Base Project of approximately \$5,730,000 less any costs for the required easements, which are estimated to be approximately \$150,000. Therefore, the estimated net gain is approximately \$5,580,000. These funds are slated for inclusion in the OBRA Leasing & Utility Fund (5671), Oakland Army Base Redevelopment Organization (02444), OBRA Leasing & Utility-City Project (P294110) account. One of the center pieces of the recently executed Army Base Lease Disposition and Development Agreement (LDDA) documents authorized by City Council Resolution 13131 C.M.S. is the City's \$247 million Army Base Infrastructure Project. The City's Army Base Infrastructure Project is funded largely by \$176 million in State Transportation Corridor Infrastructure Funds (TCIF) which require match. As part of the Army Base agreements, the City is obligated to provide up to \$54.5 million in funding, some of which is from future land sales at the Army Base. The estimated \$5.580,000 is one of the City's future land sales funding sources.

FISCAL/POLICY ALIGNMENT

The proposed action aligns with the City's Army Base Infrastructure Development Project and it secures a portion of the funds needed by the City for the project.

SUSTAINABLE OPPORTUNITIES


Economic: This proposed action does not provide any economic benefits or opportunities.

Environmental: This proposed action does not provide any environmental benefits.

Social Equity: This proposed action indirectly provides enhanced recreational and social benefits to Oakland citizens. The sale of this property to Caltrans allows Caltrans to provide additional park areas that would otherwise be needed for maintenance and administrative office uses.

For questions regarding this report, please contact John Monetta, Real Estate Agent, at (510) 238-7125.

Respectfully submitted,



Fred Blackwell
Assistant City Administrator

Prepared by:
John Monetta, Real Estate Agent
Real Estate Service Division

Item: _____
CED Committee
November 27, 2012

OAKLAND CITY COUNCIL
OFFICE OF THE CITY CLERK
OAKLAND
RESOLUTION No. _____ C.M.S.
2012 NOV 14 PM 4:03
Introduced by Councilmember _____

Allyna Chen
City Attorney

RESOLUTION AUTHORIZING THE CITY ADMINISTRATOR TO NEGOTIATE AND EXECUTE A PURCHASE AND SALE AGREEMENT WITH CALTRANS FOR THE SALE OF AN APPROXIMATELY 3-ACRE FEE-OWNED PARCEL AND 3-ACRE EASEMENT AREA LOCATED AT THE FORMER OAKLAND ARMY BASE FOR \$5,750,000, LESS ANY COSTS FOR REQUIRED EASEMENTS

WHEREAS, on January 31, 2012, the City of Oakland acquired a number of former Oakland Army Base parcels from the Oakland Redevelopment Agency including a 9.5-acre parcel of land commonly referred to as Parcel C-1 and a perpetual easement across an approximately 3-acre parcel commonly referred to as Parcel U-1 (sometimes referred to as Caltrans Parcel 8); and

WHEREAS, Caltrans has offered to purchase approximately 3-acres of parcel C-1 and the approximately 3-acre Parcel U-1 easement area from the City to support the Bay Bridge Construction Project and Caltrans Maintenance Complex for a purchase price of \$5,750,000 less any costs for required easements; and

WHEREAS, the City entered into a Memorandum of Agreement with East Bay Municipal Utilities District (EBMUD) to resolve mutual Army Base related issues, including construction of an improved and extended Engineers Road which requires the reservation of required easements over Parcel C-1 and Parcel U-1; now, therefore be it

RESOLVED, that the City hereby authorizes the City Administrator to negotiate and execute a Purchase and Sale Agreement with Caltrans for the sale of approximately 3-acre parcel and 3-acre easement area located at the Oakland Army Base for \$5,750,000 less any costs for required easements; and be it

FURTHER RESOLVED, that funds will be deposited into Entity 1, OBRA Leasing & Utility Fund (5671), Oakland Army Base Redevelopment Organization (02444), OBRA Leasing & Utility-City Project (P294110); and be it

FURTHER RESOLVED, that the City has independently reviewed and considered this environmental determination, and the City finds and determines that this action complies with CEQA because this action on the part of the City is exempt from CEQA under Section 15061(b)(3) activity covered by the general rule, no significant effect on the environment and Section 15183 for projects consistent with the General Plan, of the CEQA Guidelines, and directs the City Administrator to file a Notice of Exemption and an Environmental Declaration under California Fish and Game Code section 711.4 with the County of Alameda; and be it

FURTHER RESOLVED, that the City Administrator or her designee is hereby authorized to negotiate and execute all agreements and to take whatever other action is necessary with respect to the transaction, consistent with this Resolution and its basic purposes; and be it

FURTHER RESOLVED, that City Attorney shall review and approve all documents and agreements related to this transaction as to form and legality, and a copy shall be placed on file with the City Clerk.

IN COUNCIL, OAKLAND, CALIFORNIA, _____

PASSED BY THE FOLLOWING VOTE:

AYES - BROOKS, BRUNNER, DE LA FUENTE, KAPLAN, KERNIGHAN, NADEL, SCHAAF and PRESIDENT REID

NOES -

ABSENT -

ABSTENTION -

ATTEST: _____

LaTonda Simmons
City Clerk and Clerk of the Council
of the City of Oakland, California