

*David Horn*  
Deputy City Attorney  
OFFICE OF THE CITY CLERK  
OAKLAND

**OAKLAND CITY COUNCIL** 2004 DEC 29 PM 12:48

79028

RESOLUTION NO. \_\_\_\_\_ C.M.S.

**A RESOLUTION APPROVING THE SALE OF REAL PROPERTY LOCATED AT 1728 SAN PABLO AVENUE FOR \$1.3 MILLION TO SILVER SOUND ELECTRONICS, INC., FOR REHABILITATION AS A RETAIL AND OFFICE PROJECT**

**WHEREAS**, the California Community Redevelopment Law, Health and Safety Code Section 33430, authorizes a redevelopment agency within a survey (Project) area or for purposes of redevelopment to sell real property; and

**WHEREAS**, the California Community Redevelopment Law, Health and Safety Code Section 33433, requires that before any property of a redevelopment agency that is acquired in whole or in part with tax increment moneys is sold for development pursuant to a redevelopment plan, the sale must first be approved by the legislative body, i.e., the City Council, by resolution after a public hearing; and

**WHEREAS**, the City and the Redevelopment Agency of the City of Oakland (the "Agency") are actively involved in eliminating blight and encouraging retail and office development within the Central District Redevelopment Project Area; and

**WHEREAS**, the Agency has been implementing the Uptown Redevelopment Plan to attract residential, commercial and retail developments into the Central District, and the Agency has determined that it desires to encourage new retail and commercial development by offering Agency-owned buildings to developers for development and rehabilitation; and

**WHEREAS**, the Agency owns the building at 1728 San Pablo Avenue and known as the Cal-Art Building, more fully described in Exhibit A attached to this Resolution (the "Property"), located within the Central District; and

**WHEREAS**, Silver Sound Electronics, Inc., desires to purchase the Property from the Agency in order to rehabilitate and use the building as a retail/commercial project consisting of between 8,000 and 9,000 square feet of retail space and 2,000 to 3,000 square feet of associated office space (the "Project"); and

**WHEREAS**, staff has negotiated and proposes entering into a Disposition and Development Agreement ("DDA") with Silver Sound Electronics, Inc., which sets forth the terms and conditions of the sale of the Property to Silver Sound Electronics, Inc., or its affiliate and governs the development of the Project and the use of the Property by Silver

Sound Electronics, Inc., and any successors to the Property subsequent to sale through recorded covenants running with the land; and

**WHEREAS**, the DDA provides that the Agency will dispose of the Property to Silver Sound Electronics, Inc., at fair marketed value appraisal of \$1.3 million; and

**WHEREAS**, the DDA requires that Silver Sound Electronics, Inc., or its affiliate construct and operate the Project consistent with the Redevelopment Plan and restricts the use of the Property to retail and commercial uses; and

**WHEREAS**, the DDA and the grant deed that will convey the Property to Silver Sound Electronics, Inc., or its affiliate adequately condition the sale of the Property on the redevelopment and use of the Property in conformity with the Central District Redevelopment Plan, and such documents prohibit discrimination in any aspect of the Project as required under the Central District Redevelopment Plan and the California Community Redevelopment Law; and

**WHEREAS**, the Project uses are in conformity with the Central District Redevelopment Plan, the Project will assist in the elimination of blight in the Central District, and the Project will help meet the objectives of the Central District Redevelopment Plan; and

**WHEREAS**, the California Community Redevelopment Law (Health and Safety Code Section 33433) requires that before any property of a redevelopment agency that is acquired in whole or in part with tax increment moneys is sold for development pursuant to a redevelopment plan, the sale must first be approved by the legislative body, i.e., the City Council, by resolution after a public hearing; and

**WHEREAS**, as required by the California Community Redevelopment Law, the Agency has made available to the public for inspection, no later than the first date of publication of the notice for the hearing, a report that contains a copy of the draft DDA and a summary of the cost of the agreement to the Agency, the estimated fair market value of the Property at its highest and best use permitted under the Redevelopment Plan, and an explanation of why the sale of the Property and development of the Project will assist in the elimination of blight, with supporting facts and material; and

**WHEREAS**, a joint public hearing between the Agency and the City Council was held to hear public comments on the sale of the Property for the Project; and

**WHEREAS**, notice of the sale of the Property and the public hearing was given by publication at least once a week for not less than two weeks prior to the public hearing in a newspaper of general circulation in Alameda County; and

**WHEREAS**, the City is the Lead Agency for this Project for purposes of environmental review under the California Environmental Quality Act of 1970 ("CEQA"); and

**WHEREAS**, the conveyance of the Property and the proposed use were reviewed and considered by the City in evaluating the zoning consistency and compliance

with CEQA, the Guidelines for Implementation of the California Environmental Quality Act (14 CCR Sections 15000, et seq., the "CEQA Guidelines"), and the City's Environmental Review Regulations; and

**WHEREAS**, the City has determined that the Project involves negligible or no expansion of use, will not have a significant effect on the environment, and is therefore exempt from CEQA per Section 15301 (Existing Facilities) of the CEQA Guidelines; now, therefore, be it

**RESOLVED**: That the City Council hereby finds and determines that the Project will not have significant effect on the environment and is exempt from CEQA per Section 15301(Existing Facilities) of the CEQA Guidelines; and be it further

**RESOLVED**: That the City Council hereby finds and determines that the sale of the Property by the Agency to Silver Sound Electronics, Inc., or its affiliate for the Project furthers the purposes of the California Community Redevelopment Law, contributes to the elimination of blight in the Central District Redevelopment Project Area, conforms to the Central District Redevelopment Plan, including its Implementation Plan, and furthers the goals and objectives of said Redevelopment Plan in that: (1) the Project will increase the stock of retail and office space in the Central District, (2) the Project will provide necessary neighborhood-serving commercial facilities lacking in the Central District; (3) the Project, once completed, will create permanent jobs for low and moderate income people, including jobs for area residents; (4) the Project will redevelop and reuse a key underutilized site and building in the Central District; (5) the rehabilitation of the Cal-Art Building once completed will improve the environmental design within the Central District; and (6) the Project, once developed, will enhance the upcoming Forest City Redevelopment Project in the surrounding area, and will encourage efforts to alleviate economic and physical blight conditions in the area, including high business vacancy rates, and excessive vacant lots, by enhancing the development potential and overall economic viability of neighboring properties; and be it further

**RESOLVED**: That the City Council hereby approves the sale of the Property to Silver Sound Electronics, Inc., or to an affiliated entity satisfactory to the Agency, for the purchase price of \$1.3 million, subject to the terms and conditions of the DDA; and be it further

**RESOLVED**: That the City Council finds and determines that the purchase price of \$1.3 million equals or exceeds the fair market value of the Property at its highest and best use permitted under the Redevelopment Plan; and be it further

**RESOLVED**: That the City Administrator or his or her designee is directed to file a Notice of Exemption within five (5) working days of this Resolution in accordance with the CEQA Guidelines; and be it further

**RESOLVED**: That the custodians and locations of the documents or other materials which constitute the record of proceedings upon which the City's decision is based are respectively: (a) the Community and Economic Development Agency, Projects Division, 250 Frank H. Ogawa Plaza, 5th Floor, Oakland; (b) the Community and Economic Development Agency, Planning Division, 250 Frank H. Ogawa Plaza, 3rd Floor,

Oakland and (c) the Office of the City Clerk, 1 Frank H. Ogawa Plaza, 1st Floor, Oakland; and be it further

**RESOLVED:** That the Council hereby appoints the City Administrator or his or her designee as agent of the City to take any other action with respect to the Property and the Project consistent with this Resolution and its basic purpose.

JAN 18 2005

IN COUNCIL, OAKLAND, CALIFORNIA, \_\_\_\_\_, 2005

PASSED BY THE FOLLOWING VOTE:

AYES- ~~BROOKS, BRUNNER,~~ CHANG, NADEL, QUAN, REID, ~~WANT~~ and PRESIDENT DE LA FUENTE **5** Vacant - District 2

NOES- 1 - BRUNNER

ABSENT- 0

ABSTENTION- 1 - BROOKS

ATTEST: LaTonda Simmons  
Interim LaTonda Simmons  
City Clerk and Clerk of the Council  
of the City of Oakland, California