

CITY OF OAKLAND
AGENDA REPORT

FILED
OFFICE OF THE CITY CLERK
OAKLAND

2005 MAY -5 PM 6:45

TO: Office of the City Administrator
ATTN: Deborah Edgerly
FROM: Community and Economic Development Agency
DATE: May 17, 2005

RE: **REPORT AND RESOLUTION SUPPORTING A PUBLIC TRUST LAND EXCHANGE AT THE FORMER OAKLAND ARMY BASE BY AUTHORIZING THE CITY ADMINISTRATOR TO NEGOTIATE AND ENTER INTO A PURCHASE AND SALE AGREEMENT WITH THE CALIFORNIA DEPARTMENT OF TRANSPORTATION FOR A 6.5 ACRE PORTION OF THE PROPERTY KNOWN AS CITY-PORT PARCEL NINE**

SUMMARY

At the April 19, 2005 City Council Meeting the Oakland Redevelopment Agency granted the Agency Administrator authorization to negotiate and enter into a Purchase and Sale Agreement with the State of California Transportation Department (Caltrans) to transfer a 6.5 acre parcel (City-Port Parcel Nine) to Caltrans in order to support its Bay Bridge project, and to facilitate the tidelands trust exchange at the former Oakland Army Base.

Following this authorization staff met with Caltrans on April 22 to finalize the Purchase and Sale Agreement. At that meeting Caltrans asserted that the City of Oakland be added as a party to the agreement, since the City was a party to the City-Port MOA that authorizes the transfer of City-Port Parcel Nine. Staff is requesting that the Council approve this companion resolution, adding the City as a party to the Purchase and Sale Agreement with Caltrans.

FISCAL IMPACT

There is no fiscal impact to the City of Oakland or the Redevelopment Agency. The Oakland Base Reuse Authority will pay for all legal, transactional and other services related to this action.

BACKGROUND

The Oakland City Council, the Oakland Redevelopment Agency and the Oakland Base Reuse Authority (OBRA) have authorized staff to take any and all necessary actions to support the public trust land exchange at the Army Base and to facilitate the development of the Gateway Development Area property, pursuant to Council Resolution No. 78461, Agency Resolution No. 2004-19 and OBRA Resolution No. 2004-01. Since that authorization was given, Caltrans has asserted its interest in acquiring a portion of the property subject to the exchange, and staff is now requesting authorization to negotiate and enter into a Purchase and Sale Agreement with

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Caltrans for a 6.5-acre portion of the property known as City-Port Parcel Nine. The City-Port Parcel Nine property is located south of I-80 across from the Bay Bridge Toll Plaza and adjacent to the former Oakland Army Base property. Caltrans intends to use the property to support its Bay Bridge project.

Last year, State Senator Don Perata introduced legislation (SB 1435) that would facilitate the tidelands trust exchange at the Army Base. Soon thereafter, Caltrans indicated an interest in acquiring a portion of City-Port Parcel Nine, and staff entered negotiations with them. In August 2004, the state legislature unanimously approved SB 1435, but Governor Schwarzenegger vetoed the bill, citing the City's unresolved discussions with Caltrans. The Governor's veto message required the City of Oakland and Caltrans to reach an agreement that would meet the development needs of the City of Oakland, while ensuring inclusion of the state's rights in the public trust lands, and the transfer of property needed by the State to support the Bay Bridge Construction Project.

Senator Perata has reintroduced the Oakland Army Base Land Exchange legislation (now SB 674). OBRA, the Agency and Caltrans staffs have reached general agreement on the terms and conditions of a transfer of City-Port Parcel Nine to Caltrans to support the Bay Bridge Construction Project. With the proposed resolution of this outstanding issue, Caltrans staff is prepared to support SB 674.

Staff is requesting authorization to negotiate and enter into a Purchase and Sale Agreement with the State of California Department of Transportation for a 6.5-acre portion of the property known as City-Port Parcel Nine to support the Bay Bridge Construction Project and the passage of SB 674 and the State Lands Exchange Agreement. The City-Port Parcel Nine is property currently owned by the Port of Oakland that will be transferred to the Redevelopment Agency upon the City's election.

KEY ISSUES AND IMPACTS

The passage and enactment of SB 674 is critical to the Redevelopment Agency's ability to develop the Gateway Development Area (GDA) property (former Oakland Army Base property) to its highest and best use. The inability to ensure successful passage of SB 674 will limit the Agency's future development options for the Gateway Development Area. The land would remain subject to the public trust and thus the land uses would be restricted to maritime or maritime related activities and functions.

As noted in the Governor's veto message for Oakland Army Base exchange legislation SB 1435, agreement between the City of Oakland and Caltrans is necessary for the passage and enactment of exchange legislation for the Oakland Army Base (re-introduced as SB 674). As noted above, OBRA, the Agency and Caltrans staffs have reached general agreement on the terms and conditions of a transfer of 6.5-acres to Caltrans to support the Bay Bridge Construction Project,

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and provide for Caltrans' support of SB 674. Caltrans is now requiring the City of Oakland, in addition to the Oakland Redevelopment Agency, be a party to the agreement.

SUSTAINABLE OPPORTUNITIES

This report does not include approval of any specific projects addressing sustainable opportunities.

DISABILITY AND SENIOR CITIZEN ACCESS

This report does not include the approval of any specific projects or programs.

RECOMMENDATION(S) AND RATIONALE

Based on the importance and critical nature of passage and enactment of SB 674, the clear intent and direction given by Governor Schwarzenegger in his veto message for SB 1435, staff requests and recommends authorization for entering into and executing the Purchase and Sale Agreement for a 6.5-acre portion of the property known as City-Port Parcel Nine.

ACTION REQUESTED OF THE CITY COUNCIL

Staff is requesting companion authorization for the City Administrator to negotiate and enter into a purchase and sale agreement with the State of California Transportation Department to facilitate development of the Gateway Development Area (the former Oakland Army Base property).

Respectfully submitted,



Claudia Cappio
Director of Development

Prepared by:
Aliza Gallo/John Monetta
Oakland Base Reuse Authority

**APPROVED AND FORWARDED TO THE
CITY COUNCIL:**



Office of the City Administrator

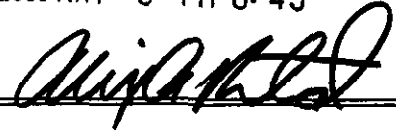
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OAKLAND CITY COUNCIL

FILED
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OAKLAND

RESOLUTION No. _____ C.M.S.

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RESOLUTION SUPPORTING A PUBLIC TRUST LAND EXCHANGE AT THE FORMER OAKLAND ARMY BASE BY AUTHORIZING THE CITY ADMINISTRATOR TO NEGOTIATE AND ENTER INTO A PURCHASE AND SALE AGREEMENT WITH THE CALIFORNIA DEPARTMENT OF TRANSPORTATION FOR A 6.5 ACRE PORTION OF THE PROPERTY KNOWN AS CITY-PORT PARCEL NINE

WHEREAS, the Final Reuse Plan for the Oakland Army Base ("Reuse Plan") provides that most of the land west of Maritime Street and a portion of the land east of Maritime Street will be developed by the Redevelopment Agency with a variety of uses to stimulate job creation and economic development (the "Gateway Development Area"), while most of the land east of Maritime Street and a portion of the land west of Maritime Street will be developed by the Port of Oakland ("Port") to expand its maritime terminals and reconfigure and expand the Port's rail facility through its New Intermodal Facility project ("Port Development Area"); and

WHEREAS, some of the lands within and adjacent to the former Oakland Army Base are subject to the public trust for navigation, fisheries and commerce ("Public Trust"), which limits the redevelopment of those lands consistent with the Reuse Plan; and

WHEREAS, the intended use and development of the Gateway Development Area cannot be accomplished unless most the land west of Maritime Street is freed from the Public Trust restrictions; and

WHEREAS, together, the Oakland Base Reuse Authority ("OBRA"), the Port, the City of Oakland, and the Oakland Redevelopment Agency ("Agency") are working together to accomplish a Public Trust exchange; and

WHEREAS, in 2004, state legislation entitled the Oakland Army Base Public Trust Exchange Act was introduced in the State Legislature as Senate Bill 1435 to authorize the State Lands Commission to negotiate and enter into a Public Trust boundary settlement and exchange agreement; and

WHEREAS, the State of California Department of Transportation ("Caltrans") has asserted its interest in acquiring a 6.5-acre portion of the property subject to the exchange, known as City-Port Parcel Nine, located south of I-80 across from the Bay Bridge Toll Plaza and adjacent to the former Oakland Army Base property, in order to support its Bay Bridge Expansion Project; and

WHEREAS, in August 2004, the state legislature unanimously approved SB 1435, but Governor Schwarzenegger vetoed the bill, citing the City of Oakland's unresolved discussions with Caltrans, and requiring the parties to reach an agreement that would meet the development needs of the City of Oakland, while ensuring inclusion of the state's rights in the public trust lands, and the transfer of property needed by the State to support the Bay Bridge Construction Project; and

WHEREAS, the Oakland Army Base Land Exchange legislation has been reintroduced as SB 674; and

WHEREAS, on July 8, 2003, OBRA, the Port, the City, and the Agency entered into a Memorandum of Agreement governing the conveyance and development of the former Army Base ("City-Port MOA"); and

WHEREAS, the City-Port MOA permits the City to elect to take title to City-Port Parcel Nine in August 2006; and

WHEREAS, the City intends to take title to a portion or all of the City-Port Parcel Nine in August 2006 under the terms of the City-Port MOA, in order to transfer that property to Caltrans under the terms of the Purchase and Sale Agreement; and

WHEREAS, it is in the best interests of the City to support passage of SB 674 by conveying City-Port Parcel Nine to Caltrans for certain consideration; and

WHEREAS, OBRA, the City, the Agency and Caltrans staffs have reached general agreement on the terms and conditions of a transfer of City-Port Parcel Nine to Caltrans to support the Bay Bridge Construction Project; and

WHEREAS, staff is requesting authorization to negotiate and enter into a *Purchase and Sale Agreement with Caltrans for a 6.5-acre portion of the property known as City-Port Parcel Nine to support the Bay Bridge Construction Project and the passage of SB 674*; and

WHEREAS, the Oakland Army Base Redevelopment Project Area Environmental Impact Report ("EIR") was certified on July 31, 2002, by the City of Oakland, acting as a Lead Agency, and subsequently reviewed, considered and approved by the OBRA Governing Body, the Oakland Redevelopment Agency and the Port of Oakland, each acting as a Responsible Agency, and said EIR considered the foregoing Public Trust exchange and related matters; and

WHEREAS, the requirements of the California Environmental Quality Act of 1970, the CEQA Implementing Guidelines and the City of Oakland's Environmental Review Regulations have been satisfied with the previous certification of the EIR; now, therefore, be it

RESOLVED: That the City Administrator is hereby authorized to negotiate and enter into a Purchase and Sale Agreement with the State of California Transportation Department to convey to Caltrans the 6.5-acre City-Port Parcel Nine property; and be it

FURTHER RESOLVED: That the City Administrator is hereby authorized to make the election to take title to City-Port Parcel Nine in August 2006 under the terms of the City-Port MOA, in order to transfer that property to Caltrans under the terms of the Purchase and Sale Agreement; and be it

FURTHER RESOLVED: That the City Administrator is hereby authorized to take all necessary actions to support the passage of SB 674 and to accomplish the intent of this Resolution; and be it

IN SESSION, OAKLAND, CALIFORNIA, MAY 17, 2005

PASSED BY THE FOLLOWING VOTE:

AYES -

NOES -

ABSENT -

ABSTENTION -

ATTEST: _____
LATONDA SIMMONS
Interim Clerk of the City of Oakland