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OFFICE OF THE CITY CLERK
OAKLAND

2009 SEP -3 PM 5:05

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

TO: Office of the City /Agency Administrator
ATTN: Dan Lindheim
FROM: Community and Economic Development Agency
DATE: September 15, 2009

RE: 1) An Ordinance Authorizing The Purchase Of A Portion (664 Square Feet) Of Real Property At 1730 50th Avenue, Oakland, From Oak Stock Group For \$47,500 Plus Customary Real Estate Closing Costs, For Development As Additional Parking For Fire Station 18 And Accepting A Contribution Of \$47,500, Plus Customary Real Estate Closing Costs, From The Redevelopment Agency Under The Cooperation Agreement For The Purchase Of The Property; And 2) An Agency Resolution Authorizing The Contribution Of \$47,500, Plus Customary Real Estate Closing Costs, From The Central City East Redevelopment Project Area, To The City of Oakland Under The Cooperation Agreement For The Acquisition Of A Portion Of 1730 50th Avenue

SUMMARY

City Council approval is requested to purchase a section (664 square feet) of Property located at 1730 - 50th Avenue, Oakland (APN # 035-2386-001) through a negotiated Sale agreement. The subject Property, as identified in *Attachment A*, is owned by Oak Stock Group and is located in the Central City East Redevelopment Project Area, in City Council District 4. Funding for this acquisition has been allocated from Central City East Tax Allocation Bond Series 2006A-T (Taxable) Bonds Fund (9543), Central City East Organization (88699), Fire Station #18 Project (T315830). Staff is requesting that the Redevelopment Agency be authorized to make a contribution of \$ 47,000 plus closing costs from allocated Agency funds to the City under the cooperation agreement for the acquisition of the subject Property. The Agency issued and received Series 2006 bonds for the Central City East (CCE) Area to be used for the acquisition of underutilized properties in the prospective area. The purchase will facilitate the development and expansion of additional parking for the new Fire Station #18 at this location. Staff recommends that the City and the Redevelopment Agency adopt the attached Ordinance and Resolution to authorize the acquisition of the subject property.

FISCAL IMPACT

Agency funding sources for this acquisition: \$47,500 plus customary real estate closing cost and phase I environmental study cost (estimated to be \$5,800) are available in Central City East Tax

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Allocation Bond Series 2006A-T (Taxable) Bonds Fund (9543), Central City East Organization (88699), Fire Station #18 Project (T315830). Oakland Redevelopment Agency Taxable Bond funds will be used for the acquisition as City funds could not be identified for this opportunity purchase. Agency funds have paid a non-refundable option fee of \$5,000 to secure an option agreement to purchase the Property. The \$5,000 option fee will be credited toward the purchase price upon closing of escrow.

These Funds will be accepted by the City under the Cooperation Agreement and appropriated in Oakland Redevelopment Agency Project Fund (7780), Capital Improvement Project – Economic Development Organization (94800), Fire Station # 18 Project (C328310).

BACKGROUND

The original Fire Station #18 was built in 1925 and it is located at 1700- 50th Avenue, Oakland (APN: 035-2386-018) on a 4,800 square foot lot. In order to accommodate the expansion of the new planned Station 18, the City acquired the abutting property located at 1718 50th Avenue. The City is in the process of building the new Fire Station #18 at the location by combining the existing station site and 1718 50th Avenue. There is a need for additional parking at the expanded new Fire Station #18; therefore Real Estate Division contacted the abutting owner of the subject property located at (1730 50th Avenue) and reached an agreement to purchase a portion of the property (664 square feet) at the appraised value.

KEY ISSUES AND IMPACTS

The acquisition of this property is critical to the planned expansion and renovation of Fire Station # 18. Presently this portion of the subject property is used as parking. The total land area for the partial portion is approximately 664 square feet. The property was appraised and a Fair Market Value offer to purchase was made to the property owner. The property owner has agreed to enter into an option agreement to sell the Property to the Agency for a total of \$47,500 plus closing costs, which are estimated to be approximately \$5,000. The negotiated sales price includes a non-refundable option fee of \$5,000 for the property, which will be applied toward the purchase if the City exercises the purchase option right. The option Agreement allowed the City to control the site until the City Council could make a determination on the purchase of the Property.

PROJECT DESCRIPTION

The subject property located at 1730 - 50th Avenue is immediately adjacent to the Fire Station # 18 property. The City retained Shah Kawasaki Architects to evaluate expansion options for Fire Station #18. After studying the possibilities, staff believes that purchasing the property next to the planned location of new station is the most economically sound option to acquire needed parking space for the new Fire Station #18. Furthermore, the potential exposure to the City would be significantly higher if the property were to be acquired through a condemnation

proceeding. Therefore, it is in the City's best interest to acquire the subject Property at the negotiated sales price.

If the City Council approves the Ordinance and the Resolution, the acquisition is expected to commence immediately and should be complete by the end of October 2009. The subject parcel presents a unique opportunity to create more parking for the expansion of Fire Station #18, and allow the Oakland's Fire Department to adequately service the surrounding community.

SUSTAINABLE OPPORTUNITIES

Economic: The City plans to use the site for future expansion of parking for new Fire Station # 18 in order to bring the building up to current State standards, to serve the neighborhood and build public improvements in the area. The project contractor is typically required to have 50% of the work hours performed by Oakland residents, and 50% of all new hires are to be Oakland residents. This project will improve neighborhood conditions and make the neighborhood area more attractive to current and prospective residents, tenants and businesses that can provide additional employment within Oakland. The anticipated project is subject to City program goals for Local and Small Local Business Enterprises and other standard programs.

Environmental: The acquisition of the subject site area at 50th Avenue is expected to contribute to growth by creating an attractive addition to the community, stimulate neighborhood infill development, and reduce on-street parking. The contractors for infill projects will be required to make every effort to reuse clean fill materials and use recyclable concrete and asphalt products. It is anticipated that the new fire station will be built using "green" design guidelines and materials.

Social Equity: The proposed acquisition provides a positive stimulus to local neighborhoods which are improving. A new fire station is considered an important feature of continued neighborhood safety, growth and stability.

DISABILITY AND SENIOR CITIZEN ACCESS

The acquisition of the subject property has no direct impact on access by seniors or people with disabilities.

RECOMMENDATION AND RATIONALE

Staff recommends the City Council adopt of the following pieces of legislation: 1) an ordinance authorizing the purchase of a portion (664 square feet) of real property at 1730 50th Avenue, Oakland, from Oak Stock Group for \$47,500 plus customary real estate closing costs, for development as additional parking for Fire Station #18 and accepting a contribution of \$47,500, plus customary real estate closing costs, from the Redevelopment Agency under the cooperation agreement for the purchase of the property and

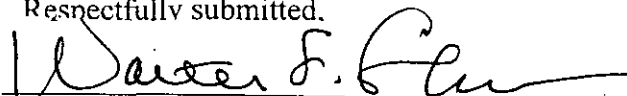
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2) An agency resolution authorizing the contribution of \$47,500, plus customary real estate closing costs, from the Central City East Redevelopment Project Area, to the City of Oakland under the Cooperation Agreement for the acquisition of a portion of 1730 50th Avenue

ACTION REQUESTED OF CITY COUNCIL AND AGENCY

Staff requests approval of the proposed resolution and ordinance.

Respectfully submitted,



Walter S. Cohen, Director

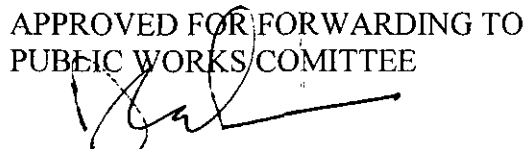
Community and Economic Development Agency

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

Reviewed by: Frank Fanelli, Manager
Real Estate Services Division

Prepared by: Hamid Ghaemmaghami
Real Estate Agent
Real Estate Services Division

APPROVED FOR FORWARDING TO
PUBLIC WORKS COMMITTEE


Office of the City/Agency Administrator

FILED
OFFICE OF THE CITY CLERK
OAKLAND

2009 SEP -3 PM 5:05

APPROVED AS TO FORM AND LEGALITY:


Deputy City Attorney

OAKLAND CITY COUNCIL

ORDINANCE NO. _____ C. M. S.

AN ORDINANCE AUTHORIZING THE PURCHASE OF A PORTION (664 SQUARE FEET) OF REAL PROPERTY AT 1730 50TH AVENUE, OAKLAND, FROM OAK STOCK GROUP FOR \$47,500 PLUS CUSTOMARY REAL ESTATE CLOSING COSTS, FOR DEVELOPMENT AS ADDITIONAL PARKING FOR FIRE STATION 18, AND ACCEPTING A CONTRIBUTION OF \$47,500, PLUS CUSTOMARY REAL ESTATE CLOSING COSTS, FROM THE REDEVELOPMENT AGENCY UNDER THE COOPERATION AGREEMENT FOR THE PURCHASE OF THE PROPERTY

WHEREAS, Fire Station #18 located at 1700 50th Avenue in Oakland is more than 80 years old, in need of immediate renovation and expansion to house new fire apparatus equipment and to better serve the neighborhoods of the City; and

WHEREAS, the City has retained consultant, Shah Kawasaki Architects, to evaluate expansion options for Fire Station #18 and as the result of the study, staff have identified the subject site, a portion of property located at 1730 50th Avenue as identified in Exhibit "A" adjacent to Fire Station # 18 as the best available site for expansion of parking for Fire Station #18; and

WHEREAS, the City of Oakland executed an option contract to enter into a sale and purchase agreement with Oak Stock Group, the owner of the property, and it is deemed to be in the public interest and necessity that the fee to said property be acquired by the City of Oakland to allow for the future expansion of Fire Station # 18; and

WHEREAS, the City wishes to purchase the referenced property pending the results of the environmental review, title search and other due diligence to be completed; and

WHEREAS, the City and Redevelopment Agency entered into a Cooperation Agreement on July 1, 2004, which generally governs the provision of assistance and the payment of funds between the two agencies, including Redevelopment Agency financial contributions and other assistance to support City public improvements; and

WHEREAS, Section 33445 of the California Health and Safety Code authorizes a redevelopment agency to pay for land costs or the cost of installation or construction of publicly-

owned facilities, if the legislative body has consented to such funding and has made certain findings; and

WHEREAS, the Redevelopment Agency has authorized a contribution of Agency funds from Central City East Project Area in a total amount of \$47,500 plus closing costs to the City to purchase the subject property; and

WHEREAS, the acquisition of the property is exempt from the California Environmental Quality Act (CEQA) under Section 15061(b) (3) (no possibility of significant environmental impact), Section 15183 (projects consistent with a General Plan), Section 15301 (existing facilities), and Section 15308 (actions by regulatory agencies to protect the environment) of the CEQA Guidelines; now, therefore,

THE COUNCIL OF THE CITY OF OAKLAND DOES ORDAIN AS FOLLOWS:

Section 1: The City Council hereby authorizes the purchase of a portion of property located at 1730 50th Avenue for a purchase price of \$47,500 plus closing costs, for expansion of parking for the new fire station.

Section 2: The City Administrator, or his designee, is authorized to negotiate and execute an agreement to purchase the property.

Section 3: The City hereby consents to and accepts and appropriates to City's Oakland Redevelopment Agency Projects Fund (7780) Capital Improvement Project – Economic Development Organization (94800), Fire Station # 18 Project (C328310), a contribution of \$47,500 plus closing costs from the Redevelopment Agency under the Cooperation Agreement for the purchase of the property.

Section 4: The City Council hereby finds and determines as follows:

1. That the funding of the acquisition of the 1730 50th Avenue parcel from redevelopment funds will benefit the Central City East Redevelopment Project Area by creating a larger lot that would facilitate expansion of Fire Station #18 to better serve area residents and businesses and improve physical conditions in the Central City East Redevelopment Project Area;
2. That City General Funds are not available for acquisition of the property, and project specific funds have not been allocated by the City for financing the purchase of this property, and therefore no other reasonable means of financing are available to the City for the acquisition other than Redevelopment Agency funding;
3. That the use of tax increment funds from the Central City East Redevelopment Project Area for the purchase will assist in the elimination of blight in the Project Area by redeveloping an underutilized parcel and upgrading a blighted, substandard, and obsolete facility into a new and expanded fire station, and is consistent with the implementation plan adopted for the Central City East Project Area.

Section 5: In accordance with the requirements of City Charter Article IV, the purchase agreement shall be approved as to form and legality by the City Attorney's Office prior to execution and a copy shall be filed with the Office of the City Clerk.

Section 6: This Ordinance shall become effective immediately upon final adoption if it receives six or more affirmative votes; otherwise, it shall become effective upon the seventh day after final adoption.

IN COUNCIL, OAKLAND, CALIFORNIA, _____, 2009

PASSED BY THE FOLLOWING VOTE:

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

NOES-

ABSENT-

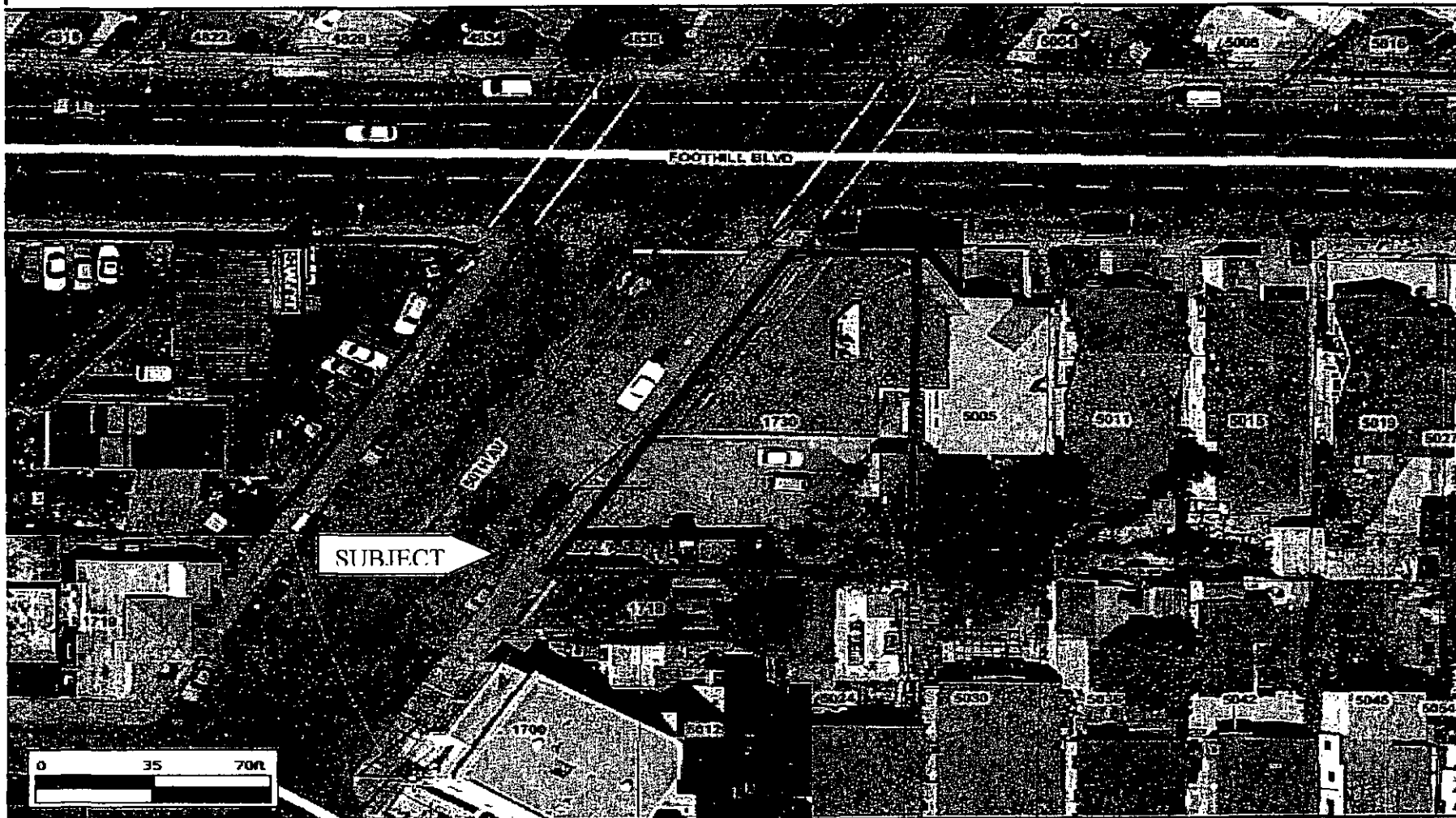
ABSTENTION-

ATTEST: _____

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

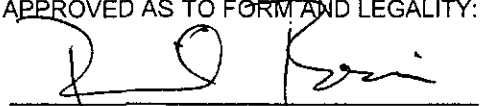
Exhibit "A"

1730 50th Avenue



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APPROVED AS TO FORM AND LEGALITY:



Agency Counsel

REDEVELOPMENT AGENCY OF THE CITY OF OAKLAND

RESOLUTION No. _____ C.M.S.

AN AGENCY RESOLUTION AUTHORIZING THE CONTRIBUTION OF \$47,500, PLUS CUSTOMARY REAL ESTATE CLOSING COSTS, FROM THE CENTRAL CITY EAST REDEVELOPMENT PROJECT AREA, TO THE CITY OF OAKLAND UNDER THE COOPERATION AGREEMENT FOR THE ACQUISITION OF A PORTION OF 1730 50TH AVENUE

WHEREAS, Fire Station #18 located at 1700 50th Avenue within the Central City East Redevelopment Project Area in Oakland is more than 80 years old, in need of immediate renovation and expansion to house new fire apparatus equipments and to better serve the neighborhoods of the City; and

WHEREAS, the City has retained consultant, Shah Kawasaki Architects to evaluate expansion options for Fire Station #18 and as the result of the study, staff have identified the subject site, a portion of property (664 square feet) located at 1730 50th Avenue as identified in (Exhibit "A") adjacent to Fire Station # 18 expanded site as the best available site for expansion of parking for Fire Station #18; and

WHEREAS, the City of Oakland has executed an option contract to enter into a sale and purchase agreement with Oak Stock Group, the owner of the property; and

WHEREAS, the Redevelopment Agency wishes to fund the City's acquisition of the property so that the City can redevelop the property for use as a fire station and alleviate blight and obsolete and substandard conditions on the property and the existing fire station on the adjoining property; and

WHEREAS, the City and the Redevelopment Agency are jointly implementing projects in the Central City East Redevelopment Project Area as part of the Redevelopment Plan to upgrade public buildings in the Redevelopment Area; and

WHEREAS, the City and Redevelopment Agency entered into a Cooperation Agreement on July 1, 2004, which generally governs the provision of assistance and the payment of funds

between the two agencies, including Redevelopment Agency financial contributions and other assistance to support City public improvements; and

WHEREAS, Section 33445 of the California Health and Safety Code authorizes a redevelopment agency to pay for land costs or the cost of installation or construction of publicly-owned facilities, if the legislative body has consented to such funding and has made certain findings; and

WHEREAS, the acquisition of the property is exempt from the California Environmental Quality Act (CEQA) under Section 15061(b)(3) (no possibility of significant environmental impact), Section 15183 (projects consistent with a General Plan), Section 15301 (existing facilities), and Section 15308 (actions by regulatory agencies to protect the environment) of the CEQA Guidelines; and

WHEREAS, the funding for the acquisition of the property is available from Central City East Tax Allocation Bond Series 2006A-T (Taxable) Bonds Fund (9543); and

WHEREAS, the Agency issued and received Series 2006 bonds for the Central City East Project Area to be used, among other things, for the acquisition of vacant and underutilized properties; now, therefore be it

RESOLVED: That the Agency hereby authorizes a contribution of up to \$47,500, plus customary real estate closing costs, in Redevelopment Agency funds to the City under the Cooperation Agreement for the acquisition of 1718 50th Avenue for redevelopment as a fire station; and be it further

RESOLVED: That the Agency hereby finds and determines as follows:

1. That the funding of the acquisition of portion of property located at 1730 50th Avenue from redevelopment funds will benefit the Central City East Redevelopment Project Area by creating a larger lot that would facilitate construction of a new, larger Fire Station #18 to better serve area residents and businesses and improve physical conditions in the Central City East Redevelopment Project Area;
2. That City General Funds are not available for acquisition of the property, and project specific funds have not been allocated by the City for financing the purchase of this property, and no other reasonable means of financing are available to the City for the acquisition other than Redevelopment Agency funding;
3. That the use of tax increment funds from the Central City East Redevelopment Project Area for the purchase will assist in the elimination of blight in the Project Area by redeveloping an underutilized parcel and upgrading a blighted, substandard, and obsolete facility into a new and larger fire station, and is consistent with the implementation plan adopted for the Central City East Project Area; and be it further

RESOLVED: That these funds will be allocated from Central City East Tax Allocation Bond Series 2006A-T (Taxable) Bonds Fund (9543), Central City East Organization (88699), Fire Station #18 Project (T315830); and be it further

RESOLVED: That the Agency Administrator or his designee is hereby authorized to take whatever other action is necessary with respect to the Agency funding of the acquisition consistent with this Resolution and its basic purposes.

IN AGENCY, OAKLAND, CALIFORNIA, _____, 2009

PASSED BY THE FOLLOWING VOTE:

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

NOES-

ABSENT-

ABSTENTION-

ATTEST: _____
LATONDA SIMMONS
Secretary of the Redevelopment Agency
of the City of Oakland, California

ASSESSOR'S MAP 35

Exhibit "A"

2386

Rev. 8-12-2004
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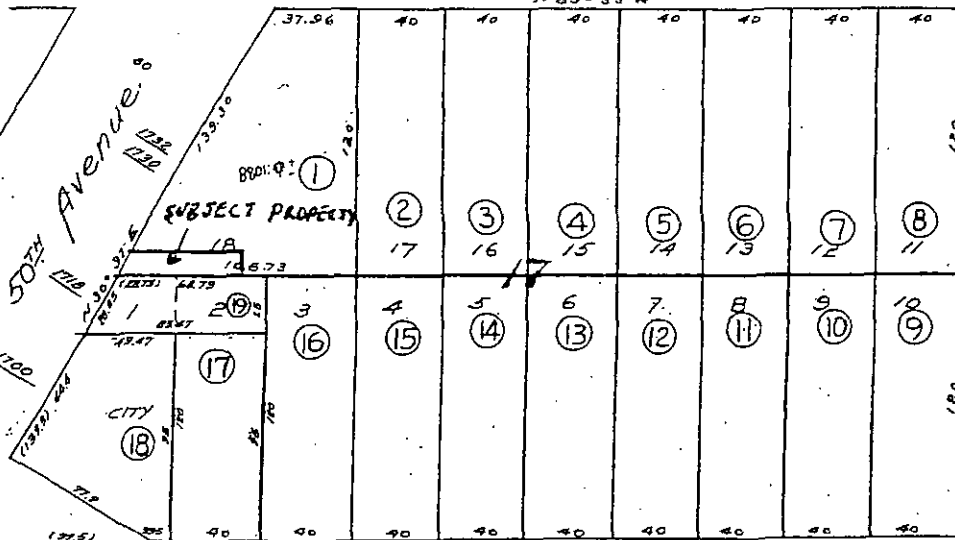
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5045

Foothill Boulevard

70

N 89° 55' W



(Marion) 51st Avenue

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Bancroft Avenue

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51st Ave

2363