



AGENDA REPORT

TO: Edward D. Reiskin
City Administrator

FROM: Alexa Jeffress
Director, EWD

SUBJECT: 1911 Telegraph Ave. License
Amendment

DATE: October 12, 2020

City Administrator Approval 

Date: October 26, 2020

RECOMMENDATION

Staff Recommends That The City Council Adopt An Ordinance (1) Authorizing The City Administrator Or Designee To Amend The License Agreement For 1911 Telegraph Avenue Between The City Of Oakland And The Lake Merritt-Uptown District Association Of Oakland, To Extend The Term Of The License Agreement From September 1, 2020 To December 31, 2022, For A Monthly License Fee of Two Thousand Two Hundred And Fifty Dollars (\$2,250.00); And (2) Making California Environmental Quality Act (CEQA) Exemption Findings.

EXECUTIVE SUMMARY

On September 1, 2019, the City of Oakland (City) and the Lake Merritt-Uptown District Association (LMUD) of Oakland entered into a License Agreement for the undeveloped City-owned property located at 1911 Telegraph Avenue (Property), and this agreement expired on August 31, 2020. City staff propose amending the License Agreement to extend its term through December 31, 2022 so that LMUD can continue to activate the Property with community-serving events including the installation of a temporary, publicly-accessible museum on the Property in honor of rapper and songwriter Tupac Shakur. City Council recently designated this Property as surplus land and is preparing to solicit development proposals for the site. The proposed extension of the License Agreement would provide for an interim, non-exclusive use that activates the site and provides for property management until the Property is ready for disposition and development consistent with the Surplus Land Act.

BACKGROUND / LEGISLATIVE HISTORY

The Property is 45,121 square feet of undeveloped land located at 1911 Telegraph Avenue. It was identified in the City's Long-Range Property Management Plan for redevelopment.

On July 21, 2020, the City Council adopted Resolution No. 88233 C.M.S. declaring the Property as "surplus land" pursuant to the Surplus Land Act (SLA), Government Code Section 54220(B)(1), and authorizing the City Administrator to issue a Notice of Availability to solicit development proposals for the Property. City staff anticipate releasing a Notice of Availability for

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the Property during the first half of 2021 to allow time for the current economic disruption caused by the COVID-19 pandemic to settle. Development of the property is not anticipated to occur any earlier than 2023, due to the time needed for the disposition, entitlements, contractor selection, permits and financing.

City staff are proposing to extend the existing License Agreement with LMUD to provide an interim use of the site during the period before development begins. This will activate the site for the benefit of the community, generate near-term revenue for the City and address interim property management issues. It would not interfere with or slow down the disposition and development process as the use would be non-exclusive and the amendment would allow the City to terminate the License at any time. This extension of an existing license agreement is not considered a disposition of the Property.

The next major event that LMUD proposes for the site under the proposed License extension is the installation of a first-of-its-kind Tupac Shakur public museum experience. The event is anticipated to run seven days per week from September through November of 2021 and is anticipated to attract over 150,000 visitors, with additional community events and educational programming.

ANALYSIS AND POLICY ALTERNATIVES

Proposal

By designating the Property as surplus land, the City has committed to its disposition and development consistent with the SLA. However, given the steps required to market the Property, negotiate with interested parties, undergo environmental review, permit development and accommodate other pre-development activities, the Property will not be ready for development any earlier than 2023. City staff are recommending the proposed extension to the License Agreement as a strategy for activating and managing the property during the time before development can begin.

Summary Of Proposed License Agreement Terms

- License term: September 1, 2020 to December 31, 2022
- Monthly license fee: \$2,250
- Termination rights: City may terminate at any time without penalty

Alternatives

1) Approve proposed License Agreement changes

Approving the proposed License Agreement changes will enable LMUD to continue activating the site for public use, generate \$27,000 in annual revenue for the City from license fees, provide for property management that would otherwise be the responsibility of the City and would not slow or otherwise interfere with the disposition and development of the Property. Regular use of the site will deter illegal occupancy, illegal dumping and litter. Continued activation of the site will encourage downtown foot traffic and public use of the site.

2) *Do not approve proposed License Agreement changes*

By electing not to approve the proposed changes to the License Agreement, the site will become vacant and inactive. The City would be solely responsible for management of the Property. There would be an increased risk that the Property would attract illegal dumping, trespassing and other nuisances. The Property would remain in this condition until disposition of the Property, which is not expected until 2023 or later.

FISCAL IMPACT

The proposed amendment would generate \$2,250 in monthly license fees, or \$27,000 annually, which would be deposited into General Purpose Fund (1010), Real Estate Organization (85231), Other Rental Miscellaneous Account (44419), DP850 Administrative Project (1000019) and Real Estate Program (PS32). LMUD would also pay a \$2,297 administrative processing fee to the City.

PUBLIC OUTREACH / INTEREST

LMUD has been activating the site for the past two years, bringing over 30,000 event goers to the area. Through that process, LMUD and the City have had numerous opportunities to engage with neighbors at the Uptown Apartments and local businesses. Over the next two years, LMUD is planning numerous other community and special events at the site. LMUD directly engaged with neighbors at the neighboring Uptown Apartments and local businesses.

COORDINATION

The License Agreement was developed in consultation with the City Council District 3 Office, the City Administrator's Office, the City Attorney's Office, Planning & Building Department, Public Works Department, and Budget Bureau.

SUSTAINABLE OPPORTUNITIES

Economic: This interim use increases pedestrian traffic and commerce in Downtown Oakland until the Property is developed.

Environmental: Activation of the Property through the proposed amendment will help prevent illegal dumping, blight and other nuisance that could have negative environmental impacts.

Race and Equity: The proposed action would generate social, cultural and economic activity in a Census tract that is 72 percent people of color and that has been designated as a Priority Neighborhood according to the City's Geographic Equity Map.

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA)

Staff has determined that the temporary use authorized by the License Agreement is exempt from review under the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Sections 15303 (small structures) and 15304 (minor alterations of land; temporary use).

ACTION REQUESTED OF THE CITY COUNCIL

Staff Recommends That The City Council Adopt An Ordinance (1) Authorizing The City Administrator Or Designee To Amend The License Agreement For 1911 Telegraph Avenue Between The City Of Oakland And The Lake Merritt-Uptown District Association Of Oakland, To Extend The Term Of The License Agreement From September 1, 2020 To December 31, 2022, For A Monthly License Fee of Two Thousand Two Hundred And Fifty Dollars (\$2,250.00); And (2) Making California Environmental Quality Act (CEQA) Exemption Findings.

For questions regarding this report, please contact Brendan Moriarty, Real Property Asset Manager at 510-238-6354.

Respectfully submitted,



ALEXA JEFFRESS
Director, Economic & Workforce Development
Department

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