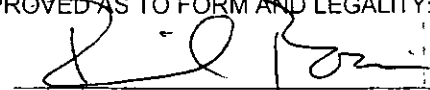


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OFFICE OF THE CITY CLERK
OAKLAND

2010 MAR 18 PM 2:05

APPROVED AS TO FORM AND LEGALITY:



AGENCY COUNSEL

REVISED

REDEVELOPMENT AGENCY OF THE CITY OF OAKLAND

RESOLUTION NO. _____ C.M.S.

AGENCY RESOLUTION AUTHORIZING AMENDMENTS TO THE OWNER PARTICIPATION AGREEMENT FOR THE 1100 BROADWAY REDEVELOPMENT PROJECT AND THE PURCHASE AND SALE AGREEMENT FOR THE UNIVERSITY OF CALIFORNIA OFFICE OF THE PRESIDENT GARAGE WITH SKS BROADWAY, LLC, TO EXTEND DEVELOPMENT AND PURCHASE DEADLINES

WHEREAS, on September 6, 2007, the Redevelopment Agency entered into an amended and restated owner participation agreement (“OPA”) with SKS Broadway, LLC (“SKS”) (successor in interest to East End Oakland I, LLC), pursuant to Agency Resolution No. 2006-0088 C.M.S., with regards to the redevelopment (the “Project”) of SKS’s real property located on the east side of Broadway between 11th and 12th Streets (the “Property”) in the Central District Redevelopment Project Area; and

WHEREAS, the OPA establishes various parameters for the Project, provides the Agency certain approval rights regarding the Project, and requires SKS to accomplish a number of specific development milestones by specific deadline dates; and

WHEREAS, SKS has made good faith efforts to reach those specific development milestones by the specified dates, but has been unable to do so because of 1) delays resulting from a decision to redesign and increase the size and quality of the new office tower that is the key component of the Project, and 2) the continuation of adverse economic conditions that oppose SKS’s efforts to obtain the required anchor tenant(s) and debt financing for the Project; and

WHEREAS, on October 1, 2008, the Agency entered into a purchase and sale agreement (“PSA”) with SKS pursuant to Agency Resolution No. 2006-0088 C.M.S. for SKS’s purchase of the Agency’s condominium interest in real property consisting of a public parking garage with 145 parking spaces and ramps located within portions of the ground floor and basement levels of the University of California Office of the President Building located at 1111 Franklin Street (“UCOP Parking”); and

WHEREAS, the PSA provides that SKS must close the purchase of the UCOP Parking by October 23, 2009, but not until construction has commenced on the Project as defined in the OPA; and

WHEREAS, the PSA provides for a minimum five percent annual increase in the original \$4.35 million purchase price for the UCOP Parking, prorated daily from May 31, 2006; and

WHEREAS, the PSA purchase price increase provision insures that even if the purchase closing occurs several years after the original deadline, the Agency will still receive the same relative replacement cost value for the UCOP Parking that it would have received if the purchase closing had occurred by the original deadline; and

WHEREAS, purchase of the UCOP Parking by SKS is a critical element of the Project; and

WHEREAS, SKS has requested to extend the deadlines for Project construction commencement and completion as defined in the OPA, and extend the purchase closing deadline set forth in the PSA; and

WHEREAS, the requirements of the California Environmental Quality Act ("CEQA"), the CEQA Guidelines as prescribed by the Secretary for Resources, and the provisions of the Environmental Review Regulations of the City of Oakland have been satisfied for the Project; and

WHEREAS, none of the circumstances necessitating additional CEQA review of the Project are present; and

WHEREAS, the Agency has held a noticed public hearing on these proposed amendments; now, therefore, be it

RESOLVED: That Agency Resolution No. 2006-0088 C.M.S. is hereby amended to authorize the Agency Administrator to 1) extend the deadline for Project construction commencement until June 25, 2013, 2) extend the deadline for Project completion until April 27, 2015, and 3) extend the deadlines for submission of final construction plans, the construction contract, and Project financing to the Agency until such dates as deemed appropriate and reasonable by the Agency Administrator or his designee such that SKS is able to meet the commencement and completion deadlines above; and be it

FURTHER RESOLVED: That Agency Resolution No. 2006-0088 C.M.S. is hereby further amended to authorize the Agency Administrator to extend the deadline for parking purchase closing until June 25, 2013; and be it

FURTHER RESOLVED: The Agency's extensions of the Project commencement and completion deadlines and the parking purchase closing deadline as provided above shall be conditioned upon: 1) the release of the \$100,000 deposit currently in escrow for SKS's purchase

of the UCOP Parking, which shall not be credited against the purchase price, and 2) SKS's deposit of a second \$100,000 into escrow by June 25, 2012, which shall fully apply to the purchase price if the purchase closing occurs by June 25, 2013; and be it

FURTHER RESOLVED: That the Agency Administrator is further authorized to grant SKS an optional one-year extension of the Project commencement and completion deadlines and the parking purchase closing deadline, provided that SKS makes a third deposit in the amount of \$200,000 into escrow, which shall fully apply to the purchase price if the purchase closing occurs by June 25, 2014; and be it

FURTHER RESOLVED: That any proceeds from the sale of the UCOP Parking to SKS shall be deposited into the Central District Operations Fund (9510) for subsequent appropriation for use in the development and construction of replacement parking in the Central District; and be it

FURTHER RESOLVED: That any deposit funds released to the Agency and any liquidated damages that the Agency receives as a result of SKS's default under the provisions of the OPA shall be deposited into the Central District Operations Fund (9510); and be it

FURTHER RESOLVED: That the Agency Administrator or his designee is authorized to negotiate and execute amendments to the OPA and the PSA and take whatever action is necessary with respect to the amendments of the OPA and the PSA consistent with this Resolution and its basic purposes; and be it

FURTHER RESOLVED: That the amendments to the OPA and the PSA authorized hereunder shall be approved as to form and legality by Agency Counsel and filed with the Agency Secretary.

IN AGENCY, OAKLAND, CALIFORNIA, _____, 2010

PASSED BY THE FOLLOWING VOTE:

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

NOES-

ABSENT-

ABSTENTION-

ATTEST: _____

LATONDA SIMMONS
Secretary of the Redevelopment Agency
of the City of Oakland