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OFFICE OF THE CITY CLERK
OAKLAND

2009 SEP -3 PM 5:01

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

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

RE: An Agency Resolution Authorizing The Purchase Of Real Property At 3229 and 3301 San Leandro Street, In The Coliseum Redevelopment Project Area, From Joyce Sasse For A Price Not To Exceed \$1,200,000, Less the Cost Of Any Environmental Site Remediation, And Authorizing Up To \$12,000 For Real Estate Closing Costs And \$100,000 For Demolition Costs

SUMMARY

Redevelopment Agency approval is requested to purchase two parcels, estimated at .57 acre (25,015 sq ft), located at 3229 & 3301 San Leandro Street, Oakland (APN # 033-2186-003-01 & 033-2187-003-01) through a negotiated Real Property Purchase and Sale Agreement. The subject property is owned by Joyce Sasse and is located in the Coliseum Redevelopment Project Area. The purpose of this acquisition is blight reduction and land banking for future redevelopment. The Agency will fund the purchase price of \$1,200,000 plus related acquisition costs from the Coliseum Area Tax Allocation 2006B-T Bond Series.

FISCAL IMPACT

Agency funds for this acquisition, in the amount of \$1,200,000 minus the cost of any environmental site remediation for the highest and best use, plus real estate closing costs up to \$12,000 and demolition costs of \$100,000, will be allocated from the Coliseum Area: Tax Allocation Bond Series 2006B-T (Taxable) Fund (9456), Capital Improvement Project (CIP) Economic Development Organization (94800), Coliseum Area Land Acquisition -Taxable Bond Project (T315820).

BACKGROUND

The .57 acre parcels are located within the Coliseum Redevelopment Project Area. Both parcels are currently used for industrial purposes and are zoned for such. The subject land is currently held by the Joyce Sasse, who acquired the sites in 1999. The last sale prior to that was in 1993.

The Agency's goal is to land bank this opportunity purchase for future redevelopment. The

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subject parcels present a unique opportunity to gain site control for future redevelopment and the ability to more adequately service the surrounding community.

KEY ISSUES AND IMPACTS

The acquisition of these two parcels is expected to occur prior to December 31, 2009. The total land area for the property is approximately .57 acres. The seller has accepted the Agency's purchase offer price of \$1,200,000. The appraised value is \$1,200,000 for these two parcels as indicated in the contract fee appraisal report dated April 24, 2009. All stored vehicles and equipment will be removed from the site prior to the completion of the acquisition.

The Agency will pay customary closing costs not to exceed \$12,000. The demolition costs are estimated at approximately \$100,000 to demolish two existing industrial buildings that are on the parcels. The parcels are located near a critical intersection in the neighborhood.

The acquisition of these parcels will help promote a larger land assemblage. When the Agency acquires the subject properties it will start acquisition discussions with the abutting property owners.

PROJECT DESCRIPTION

The subject properties (as seen in Exhibit A of the Agency Resolution) are located in East Oakland in an area commonly known as the San Antonio / Fruitvale area. The San Antonio Fruitvale neighborhood extends westerly from the 580 freeway to the Embarcadero, and southerly from 19th Avenue to High Street and in some places 54th Avenue.

The properties are located on the west side of San Leandro Street, approximately 150 feet south of the intersection Fruitvale Avenue and San Leandro Street. Directly in front of the property there is a signaled intersection where 33rd Avenue meets San Leandro Street. The property is approximately 250 feet from the Fruitvale BART Station and Fruitvale Transit Village. Fruitvale Village is a large multi-unit mixed use structure consisting of commercial, retail and residential with a large parking facility. Staff will explore an interim parking arrangement to support Fruitvale Transit Village parking needs. Within a quarter of a mile is a neighborhood shopping center with Oakland's largest grocery store, Lucky / Savon.

The western property boundary abuts Southern Pacific Railroad property and the Southern Pacific railroad tracks.

The immediate area is comprised of a mix of light industrial and commercial uses intermingled with single family and 2-3 unit residential properties. The property is zoned HBX-1, Housing and Business Mix Commercial Zone.

SUSTAINABLE OPPORTUNITIES

Economic: The Agency plans to improve the site for redevelopment to serve the neighborhood. This project will improve neighborhood conditions and thus make the area more attractive to current and prospective residents, as well as businesses that can provide employment within Oakland. By creating an attractive addition to the community, over time the property values will increase and result in increased property tax revenues.

Environmental: Development of the site poses no negative environmental impact. The project will improve the aesthetic street level and aerial views of the corner of San Leandro Street and Fruitvale Avenue. The property will be cleaned of any existing hazard materials and or soils.

Social Equity: Oakland is underserved with housing and retail along the BART system. The Agency's effort to control this site is consistent with the goals of the Coliseum Redevelopment Area 5 year implementation plan. The purchase of the Property will enable the Agency to control land next to a corner lot in the Coliseum Redevelopment Project Area.

DISABILITY AND SENIOR CITIZEN ACCESS

The acquisition of the subject properties does not present a direct impact on access by seniors and people with disabilities. Any new project will be ADA compliant.

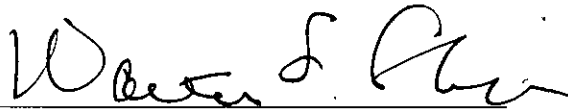
RECOMMENDATION AND RATIONALE

Staff recommends the adoption of the resolution authorizing the purchase of real property at 3229 and 3301 San Leandro street, in the Coliseum Redevelopment Project Area, from Joyce Sasse for a price not to exceed \$1,200,000, less the cost of any environmental site remediation, and authorizing up to \$12,000 for real estate closing costs and \$100,000 for demolition costs.


ACTION REQUESTED OF THE REDEVELOPMENT AGENCY

The Agency is requested to adopt the Resolution authorizing the purchase of real property at 3229 and 3301 San Leandro Street, (APN # 033-2186-003-01 & 033-2187-003-01) from Joyce Sasse for a price not to exceed \$1,200,000, less the cost of any environmental site remediation, plus real estate closing cost, and \$100,000 for demolition costs for a total expenditure of \$1,312,000

Respectfully submitted,



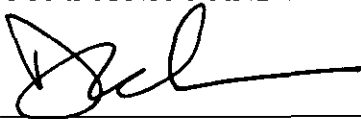
Walter S. Cohen, Director
Community and Economic Development Agency

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

Reviewed by Frank Fanelli, Manager
Real Estate Division

Prepared by: Anthony J. Reese
Real Estate Agent
Real Estate Services Division

APPROVED FOR FORWARDING TO
COMMUNITY AND ECONOMIC DEVELOPMENT COMMITTEE:



Office of the Agency Administrator

FILED
OFFICE OF THE CITY CLERK
OAKLAND

2009 SEP -3 PM 5:08

Approved As To Form And Legality:



ORA Agency Counsel

REDEVELOPMENT AGENCY OF THE CITY OF OAKLAND

RESOLUTION NO. _____ C.M.S.

AN AGENCY RESOLUTION AUTHORIZING THE PURCHASE OF REAL PROPERTY AT 3229 AND 3301 SAN LEANDRO STREET, IN THE COLISEUM REDEVELOPMENT PROJECT AREA, FROM JOYCE SASSE FOR A PRICE NOT TO EXCEED \$1,200,000, LESS THE COST OF ANY ENVIRONMENTAL SITE REMEDIATION, AND AUTHORIZING UP TO \$12,000 FOR REAL ESTATE CLOSING COSTS AND \$100,000 FOR DEMOLITION COSTS

WHEREAS, the Coliseum Redevelopment Plan adopted by the City Council on July 29, 1995, includes alleviation of general blight and unsafe conditions as a goal for the Coliseum area; and

WHEREAS, the Redevelopment Agency of the City of Oakland (the "Agency") is implementing projects in the Coliseum Redevelopment Project Area as part of the Redevelopment Plan to improve the Redevelopment Area; and

WHEREAS, Section 33391 of the California Community Redevelopment Law (Health & Safety Code Sections 33000, et seq.) authorizes a redevelopment agency to purchase real property in a project area for purposes of redevelopment; and

WHEREAS, real properties located at 3229 & 3301 San Leandro Street, Oakland illustrated in Exhibit "A" attached hereto (Assessor's Parcel Numbers: 033-2186-003-01 & 033-2187-003-01) (together, the "Property") are within the Coliseum Redevelopment Project Area in Oakland; and

WHEREAS, the Property consists of two occupied parcels encompassing approximately 25,015 square feet which is currently blighted and underutilized; and

WHEREAS, Joyce Sasse, the owner, offered to sell the Property to the Agency at fair market value of \$1,200,000, minus the cost of site remediation to assist the Agency in its redevelopment efforts in the Coliseum Redevelopment Project Area; and

WHEREAS, the sale by the owner was not induced, the sale price is at fair market value as established by an independent third party appraiser, and no federal funds will be used for acquisition of the Property; and

WHEREAS, the Property has been appraised and Phase I and Phase II environmental investigations have been completed for the subject property; and

WHEREAS, the Agency will execute a purchase and sale agreement with the owner of the Property to acquire both Property rights for \$1,200,000 less all costs for environmental site remediation; and

WHEREAS, the estimated cost of real estate closing is \$12,000 and the estimated demolition cost is \$100,000; and

WHEREAS, the Agency issued and received the Coliseum Area Redevelopment Project Taxable Tax Allocation Series 2006-T bonds for the Coliseum Area Redevelopment Project to be used for, among other things, the acquisition of vacant, blighted, obsolete and or underutilized properties; and

WHEREAS, the funding for the acquisition of the Property is available from the Coliseum Area: Tax Allocation Bond Series 2006B-T (Taxable) Fund (9456), Capital Improvement Project (CIP) Economic Development Organization (94800), Coliseum Area Land Acquisition –Taxable Bond Project (T315820); and

WHEREAS, the requirements of 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; now, therefore, be it

RESOLVED: That the Agency hereby authorizes the Agency Administrator to negotiate and execute a Purchase and Sale Agreement for the purchase of the Property located at 3229 & 3301 San Leandro Street, Oakland (Assessor's Parcel Numbers: 033-2186-003-01 & 033-2187-003-01) for an amount not to exceed \$1,200,000, less environmental site remediation cost, and authorizes \$12,000 for the cost of real estate closing, and \$100,000 for demolition costs; and be it

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

1. That the funding of the acquisition of the 3229 & 3301 San Leandro Street Property from redevelopment funds will benefit the Coliseum Redevelopment Project Area by creating future development opportunities to better serve area residents and businesses and improve physical conditions in the Coliseum Redevelopment Project Area;
2. That the use of tax increment funds from the Coliseum Redevelopment Project Area for the purchase is consistent with the implementation plan adopted for the Coliseum Project Area and will assist in the elimination of blight in the Project Area by redeveloping an underutilized parcels; and be it

FURTHER RESOLVED: That funds will be allocated from the Coliseum Area: Tax Allocation Bond Series 2006B-T (Taxable) Fund (9456), Capital Improvement Project-Economic Development Organization (94800), Coliseum Area Land Acquisition –Taxable Bond Project (T315820); and be it

FURTHER RESOLVED: That the Agency has independently reviewed and considered this environmental determination, and the Agency finds and determines that this action complies with CEQA because this action on the part of the Agency is exempt from CEQA under Section 15061(b)(3) activity covered by the general rule, no significant effect on the environment and Section 15183 for projects consistent with the General Plan, of the CEQA Guidelines, and directs the Agency Administrator to file a Notice of Exemption and an Environmental Declaration with the County of Alameda; and be it

FURTHER RESOLVED: That the Agency Administrator or his designee is hereby authorized to negotiate and execute all agreements and take whatever other action is necessary with respect to purchasing the Property, consistent with this Resolution and its basic purposes; and be it

FURTHER RESOLVED: That Agency Counsel shall review and approve all documents and agreements related to this acquisition as to form and legality, and a copy shall be placed on file with the City Clerk.

IN AGENCY, OAKLAND, CALIFORNIA, _____, 2009

PASSED BY THE FOLLOWING VOTE:

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

NOES-

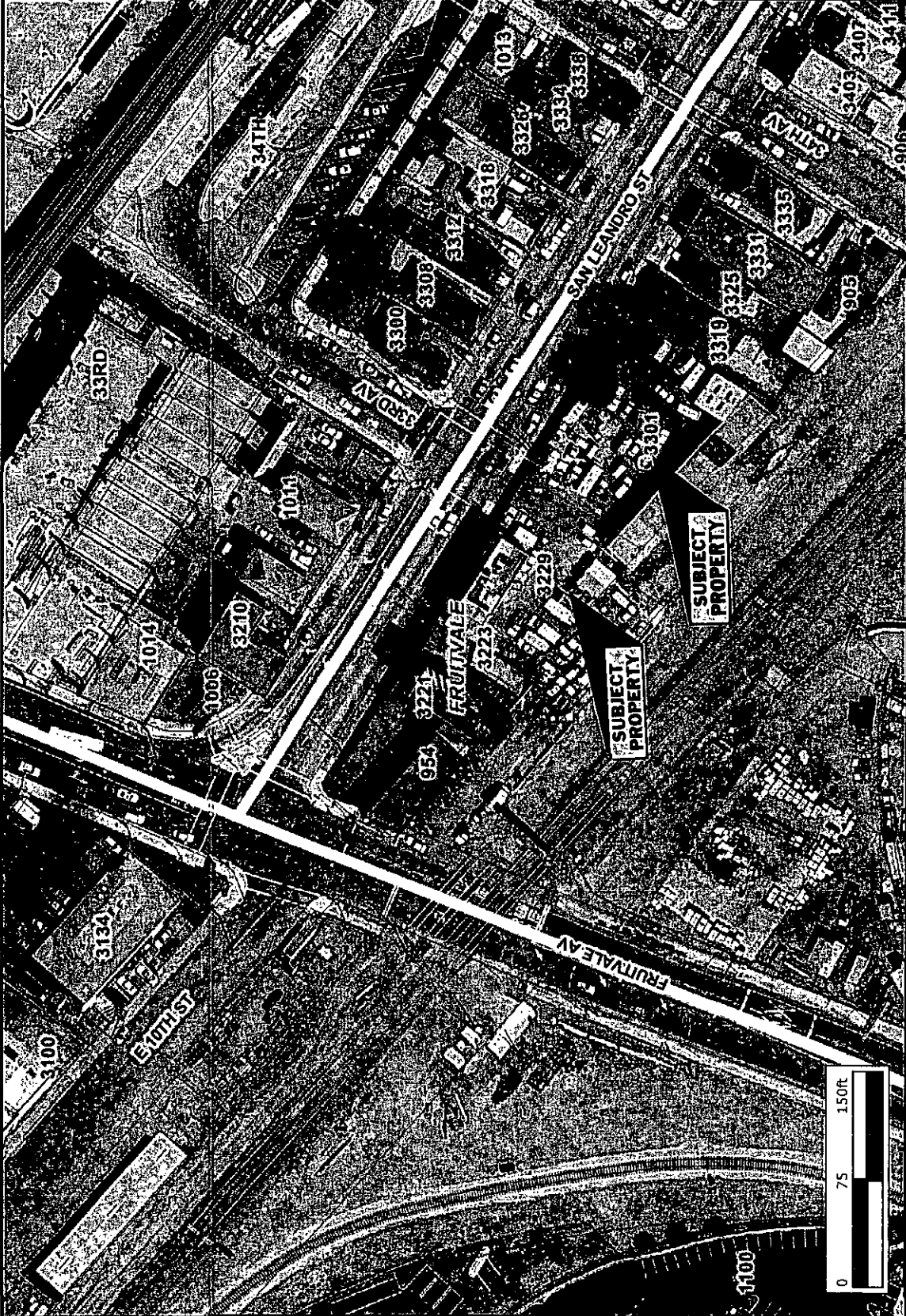
ABSENT-

ABSTENTION-

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

EXHIBIT "A"

3229 & 3301 San Leandro St



Legend

- City Limits
- Parcels
- Freeways
- Major Sts
- Streets
- Water
- Land

It is imperative that you obtain BOTH the Zoning and General Plan designations for the property(s) you are searching for.

Questions? Contact a planner at (510)238-3911.

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