

  
CITY ATTORNEY'S OFFICE

## OAKLAND CITY COUNCIL

RESOLUTION NO. \_\_\_\_\_ C.M.S.

---

**RESOLUTION AUTHORIZING THE CITY ADMINISTRATOR TO ACCEPT A DONATION OF REAL PROPERTY VALUED AT \$1,250,000 PURSUANT TO A LOT LINE ADJUSTMENT THAT WILL INCREASE THE SIZE OF THE PREMISES OF THE GROUND LEASE BETWEEN THE CITY OF OAKLAND AND SAMUEL MERRITT UNIVERSITY AND PERMIT UNIVERSITY CAMPUS ACCESS OVER A PUBLIC PLAZA TO AND FROM 12TH STREET IN DOWNTOWN OAKLAND; AND ADOPTING CALIFORNIA ENVIRONMENTAL QUALITY ACT FINDINGS**

**WHEREAS**, the City of Oakland (“City”) and Strada T5 LLC, a California limited liability company (“Strada”), entered into that certain Disposition and Development Agreement for the T-5/T-6 Hotel and Residential Project dated as of November 6, 2015 (“Original DDA”) for the development of land located in downtown Oakland, California, that is within the block bounded by Broadway, 11th Street, 12th Street and Clay Street, commonly known as T-5/T-6 (“Property”) (Ordinance No. 13328 C.M.S.); and

**WHEREAS**, pursuant to the Original DDA, the Property was comprised of two lots for development in two phases: Phase 1 on Lot 1 consisting of a mixed-use development with 288 residential units, ground floor retail space, and a 12,075 square-foot, privately maintained, publicly accessible plaza (the “Plaza”), and Phase 2 on Lot 2 originally consisting of a proposed hotel; and

**WHEREAS**, through a series of assignment and assumption agreements, the rights and obligations related to development of Phase 1 provided in the Original DDA were assigned to 1100 Clay (Oakland) Owner, LLC, a Delaware limited liability company (“Phase 1 Developer”), and the City conveyed Lot 1 to the Phase 1 Developer by Grant Deed recorded on March 12, 2018; and

**WHEREAS**, Phase 1 Developer completed construction of Phase 1 (known as 1150 Clay Street) and the City recorded a Certificate of Completion pursuant to the Original DDA, as assigned, on August 23, 2022; and

**WHEREAS**, the Original DDA was amended by that certain First Amendment to T-5/T-6 Hotel and Residential Project Disposition and Development Agreement dated as of February 4,

2020 and that certain Second Amendment to T-5/T-6 Hotel and Residential Project Disposition and Development Agreement dated as of November 6, 2022, both by and between the City and Strada, which among other things, changed the Phase 2 project to a new university campus (“Project” or “University Campus”) and converted the Original DDA, as assigned and amended, to a Lease Disposition and Development Agreement (collectively, the “LDDA”) (Ordinance No. 13707 C.M.S.); and

**WHEREAS**, the LDDA was assigned by that certain Assignment and Assumption Agreement (T5/T6 – LDDA Phase 2) dated as of November 30, 2022, by and between Strada and Samuel Merritt University, a California nonprofit public benefit corporation (“SMU”), and the City and SMU entered into that certain Ground Lease (T5-T6) dated as of November 14, 2022 of Lot 2 (the “Ground Lease”) for development of the new University Campus in downtown Oakland; and

**WHEREAS**, in order to facilitate access from the University Campus to and from 12th Street, the Phase 1 Developer, the City, as the Ground Lease landlord, and SMU, as the Ground Lease tenant, have agreed to a lot line adjustment, pursuant to which (1) Phase 1 Developer will convey a fee interest in a portion of the Plaza (“Lot 1 Portion”) to the City, and (2) the City and SMU will amend the Ground Lease and the LDDA to expand the premises of the Ground Lease and the property subject to the LDDA to include the Lot 1 Portion, which SMU has valued at One Million Two Hundred Fifty Thousand Dollars (\$1,250,000); and

**WHEREAS**, pursuant to Oakland Municipal Code (“OMC”) Section 2.41.080 any gifts of real property to the City shall be governed by OMC Section 2.04.160, which provides that the City Council must accept gifts and donations to the City in amounts over Fifty Thousand Dollars (\$50,000); now, therefore, be it

**RESOLVED:** That the City Council hereby accepts a donation of fee ownership in the Lot 1 Portion more particularly described in the Agenda Report for this item, valued at One Million Two Hundred Fifty Thousand Dollars (\$1,250,000); and be it

**FURTHER RESOLVED:** That the City Council authorizes the City Administrator to accept the deed of conveyance of the Lot 1 Portion from Phase 1 Developer to the City, free of all monetary liens and encumbrances such as deeds of trust, mortgages, or other security instruments, and delinquent taxes and assessments; and be it

**FURTHER RESOLVED:** That the City Administrator is authorized to negotiate and execute all other contracts, amendments, modifications and extensions that the City Administrator, in consultation with the City Attorney’s Office, determines are in the best interests of the City, do not materially increase the obligations or liabilities of the City, and are necessary or advisable to complete the transactions contemplated by this Resolution; and such other documents as necessary or appropriate, in consultation with the City Attorney’s Office, to facilitate and consummate the transactions in accordance with this Resolution, or to otherwise effectuate the purpose and intent of this Resolution and its basic purpose; and be it

**FURTHER RESOLVED:** That the City Council has independently reviewed and considered this environmental determination, and the Council finds and determines that this action complies with the California Environmental Quality Act (“CEQA”) as follows:

(a) City staff determined that an addendum (“Addendum”) to the 2000 Oakland City Center Environmental Impact Report (“2000 EIR”) was appropriate because the Project was consistent with the development density and land use characteristics established by the City of Oakland General Plan, and any potential environmental impacts associated with the Project’s development were adequately analyzed and covered by the analysis in the 2000 EIR and its addenda.

(b) Upon Project approval, the Planning Commission found that further environmental review was not warranted because: (i) the Project satisfied the Community Plan Exemption pursuant to Public Resources Code Section 21083.3 and CEQA Guidelines Section 15183 (Projects Consistent with a Community Plan or Zoning) since the Project would not result in significant impacts that (A) would be peculiar to the project or project site; (B) were not previously identified in the 2000 EIR as significant project-level, cumulative, or off-site effects; or (C) were previously identified as significant but—as a result of substantial new information that was not known at the time the 2000 EIR was certified—would increase in severity above the level described in the 2000 EIR and; (ii) the Project qualified for an addendum pursuant to Public Resources Code Section 21166 and CEQA Guidelines Sections 15162 and 15164 (Subsequent EIRs, Supplements and Addenda to an EIR or Negative Declaration).

Since the action of accepting this donation of real property to the City serves to facilitate the development Project that was previously studied, the City relies on the above CEQA findings previously adopted by the City as if fully adopted herein. On a separate and independent basis, the City finds and determines that this action is exempt from CEQA pursuant to the following CEQA Guidelines Sections: Section 15301 (existing facilities), Section 15304 (minor alterations to land), Section 15305 (minor alterations to land use limitations), and Section 15268 (ministerial projects), each serving collectively and separately as a basis for CEQA clearance.

IN COUNCIL, OAKLAND, CALIFORNIA,

PASSED BY THE FOLLOWING VOTE:

AYES - BROWN, FIFE, HOUSTON, KAPLAN, RAMACHANDRAN, UNGER, AND  
PRESIDENT PRO TEMPORE GALLO

NOES –

ABSENT – COUNCIL PRESIDENT JENKINS (serving as Mayor pursuant to Charter Section 303)

ABSTENTION –

ATTEST: \_\_\_\_\_  
ASHA REED  
City Clerk and Clerk of the Council of the  
City of Oakland, California