

2015 SEP 24 PM 1:01

Approved as to Form and Legality


Deputy City Attorney

ORDINANCE NO. 13328 C.M.S.

AN ORDINANCE AUTHORIZING: (1) THE CITY ADMINISTRATOR, WITHOUT RETURNING TO THE CITY COUNCIL, TO NEGOTIATE AND EXECUTE A DISPOSITION AND DEVELOPMENT AGREEMENT AND RELATED DOCUMENTS BETWEEN THE CITY OF OAKLAND, AND STRADA T5 LLC (OR A RELATED ENTITY OR AFFILIATE) FOR SALE OF THE CITY CENTER T-5/6 PARCELS LOCATED ON THE BLOCK BOUNDED BY BROADWAY, 11TH STREET, 12TH STREET AND CLAY STREET FOR NO LESS THAN \$6.45 MILLION AND DEVELOPMENT AS A RESIDENTIAL MIXED-USE PROJECT AND A HOTEL MIXED-USE PROJECT, ALL OF THE FOREGOING DOCUMENTS TO BE IN A FORM AND CONTENT SUBSTANTIALLY IN CONFORMANCE WITH THE TERM SHEET ATTACHED AS EXHIBIT A; AND (2) SET-ASIDE OF NO MORE THAN \$1,000,000 FROM LAND SALES PROCEEDS FOR REMEDIATION OF PROPERTY

WHEREAS, the City owns approximately 1.25 acres of property on the block bounded by Broadway, 11th Street, 12th Street and Clay Street, commonly known as T-5/T-6, that will be reconfigured into two development sites; and

WHEREAS, the Property is located within the City Center Redevelopment Project and was owned by the former Oakland Redevelopment Agency prior to its dissolution pursuant to AB 1X 26 and AB 1484 (collectively, "Redevelopment Dissolution Act"); and

WHEREAS, disposition of the Property is governed by the Long Range Property Management Plan prepared by the Oakland Redevelopment Successor Agency ("ORSA") and approved by the ORSA Oversight Board and the Department of Finance and the Compensation Agreement entered into by the City and taxing entities pursuant to the Redevelopment Dissolution Act; and

WHEREAS, on January 31, 2012, the City issued a Request for Proposals ("RFP") to develop the Property; and

WHEREAS, the City only received one proposal from Strada (as defined below); and

WHEREAS, Strada T5 LLC (“Developer”) is a limited liability company created by Strada Investment Group, LLC (“Strada”); and

WHEREAS, the City Council authorized an Exclusive Negotiating Agreement between the City and Strada on July 16, 2013 and January 7, 2014 ("ENA"), and the City Administrator granted a discretionary administrative extension on January 23, 2015 for the purposes of developing a project proposal for City review and approval, conducting California Environmental Quality Act ("CEQA") review and approval, and negotiating the terms and conditions of a Disposition and Development Agreement (“DDA”) (Reso Nos. 84514 and 84785 C.M.S.); and

WHEREAS, Strada satisfied all the requirements of the ENA; and

WHEREAS, a June 2015 appraisal conducted by Yovino & Young concluded the as-is Fair Market Value of the land is \$7.45 million (\$3.35 million for Parcel A and \$4.1 million for Parcel B), considering the highest and best use of the Property to be a multi-unit residential project, with a \$1.0 million discount on Parcel B when restricted to hotel use; and

WHEREAS, Developer is offering to pay \$6.45 million (\$3.35 million for Parcel A and \$3.1 million for Parcel B) for the Property; and

WHEREAS, Developer proposes to build a 14-story residential apartment tower with a public plaza on Parcel A, including between 165 and 262 residential units, between 3,000 and 8,000 square feet of ground level commercial space, and a 200-300 key hotel on Parcel B (the “Project”); and

WHEREAS, Strada is a real estate investment and development company focused on the San Francisco Bay Area, which has closed on over 1.9 million square feet of institutional office product in the past five years and is developing over 4 million square feet of office, residential, retail and hotel product in the Bay Area; and

WHEREAS, a Disposition and Development Agreement (“DDA”) will set forth the terms and conditions under which the City will sell the Property to Developer and by which Developer will construct improvements to the Property; and

WHEREAS, the City has prepared and placed on file a copy of the summary of the transaction contemplated by this Ordinance as required by Government Code Section 52201 (“52201 Report”) and the information required by Government Code Section 53083 (“53083 Report”), and the City has conducted a noticed public hearing on the transaction as required by Government Code Sections 52201 and 53083; and

WHEREAS, the City Council adopted a Resolution in December 2014 to establish a general policy to lease rather than sell City property (Reso No. 85324 C.M.S.); and

WHEREAS, staff is recommending a sale of the Property instead of a ground lease in

this case because a sale is necessary to promote the economic development and housing goals of the City for the reasons set forth in the Agenda Report for this item; now therefore

The Council of the City of Oakland does ordain as follows:

SECTION 1. The City Council hereby finds, pursuant to Resolution No. 85324 C.M.S., that it is in the best interests of the City to sell rather than lease the Property for the reasons described in the Agenda Report for this item, and hereby authorizes the conveyance of the Property to the Developer pursuant to the terms of the documents described in Section 5 hereof for the price of \$6.45 million.

SECTION 2. The City Council hereby finds and determines that the City's Request for Proposal (RFP) process for the Property complied, to the extent applicable, with Oakland Municipal Code Section 2.42.170(A), which requires that the City issue "a public and competitive NODO to potential developers and other interested parties." However, in the event that it may later be determined that such RFP process did not in any respect meet any applicable Code requirement for a competitive NODO process, the Council hereby waives such requirement on the basis that the process that was used was in the best interests of the City because it was most likely to elicit responses from potential purchasers with the experience, capacity and other qualifications, as well as demonstrated interest in developing a project on the site, to achieve the City's goals for development of the Property.

SECTION 3. The City Council hereby finds and determines the following, based on the appraisal conducted by Yovino & Young, the 52201 Report and the entirety of the record described in Section 10 below:

- A. The sale of the Property will assist in the creation of economic opportunity;
- B. Parcel A is being conveyed at its fair market value, and the City is not granting any economic development subsidy for this phase of the Project; and
- C. Parcel B is being conveyed at its fair reuse value at the use and with the covenants and conditions and development costs authorized by the sale.

SECTION 4. The City Council authorizes the City Administrator to deposit land sales proceeds in the Central District Operations Fund (5610), Central District Redevelopment Organization (85245), Sale of Land (48111), Non-Project (0000000), Downtown Development (SC13).

SECTION 5. The City Council authorizes the City Administrator to set-aside in escrow no more than \$1,000,000 from land sales proceeds for remediation of Property pursuant to the terms of the DDA and to be released directly to Developer as remediation work is completed; any amount remaining in escrow after remediation work is complete will be deposited in the General Purpose Fund (1010), Real Estate Services Organization (85231), Sale of Land (48111), Non-Project (0000000), Real Estate Program (PS32).

SECTION 6. The City Council hereby authorizes the City Administrator or his/her designee, without returning to the City Council, to negotiate and execute: (1) a Disposition and Development Agreement and related documents with the Developer, for the sale and development of the Property, all of the foregoing documents to be in a form and content substantially in conformance with the Term Sheet attached as Exhibit A to this Ordinance; (2) grant deeds and any other agreements or documents as necessary to convey the Property to the Developer; (3) such other additions, amendments or other modifications to any of the foregoing documents 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 Ordinance, to be conclusively evidenced by the execution and delivery by the City Administrator of any such amendments; and (4) such other documents as necessary or appropriate, in consultation with the City Attorney's Office, to facilitate the sale and development of the Property in order to consummate the transaction in accordance with this Ordinance, or to otherwise effectuate the purpose and intent of this Ordinance and its basic purpose.

SECTION 7. The City Administrator, without returning to the City Council, shall determine satisfaction of conditions precedent to the conveyance of the Property to the Developer.

SECTION 8. All agreements associated with the Property and the Project shall be reviewed and approved as to form and legality by the City Attorney's Office prior to execution by the City, and shall be placed on file with the City Clerk.

SECTION 9. The City Council finds and determines that the anticipated environmental effects of the project have been evaluated by the "Modified Block T5/6 Project CEQA Analysis" dated May 29, 2015, and, as supported by substantial evidence in the record and for the reasons set forth in the CEQA Findings adopted by the Planning Commission on July 1, 2015 in connection with its consideration of the Project, no further environmental review is required for sale of the Property and the development of the Project.

SECTION 10. The City Administrator or his/her designee is hereby authorized to file a notice of determination with the Office of the Alameda County Recorder and the State Office of Planning and Research, and to take any other action necessary in furtherance of the Project, consistent with this Ordinance and its basic purposes.

SECTION 11. The record before this Council relating to this Ordinance includes, without limitation, the following:

- A. All staff reports, decision letters and other documentation and information produced by or on behalf of the City, including without limitation the Planning Commission Report and all notices relating to this Ordinance and the DDA;

- B. All oral and written evidence received by City staff and the City Council before and during the consideration of this Ordinance, including without limitation the Planning Commission consideration of general plan conformity; and
- C. The 52201 Report and the 53083 Report.
- D. All matters of common knowledge and all official enactments and acts of the City, such as (1) the General Plan; (2) the Oakland Municipal Code, without limitation, the Oakland real estate regulations; (3) the Oakland Planning Code; (4) other applicable City policies and regulations; and (5) all applicable state and federal laws, rules and regulations.

SECTION 12. The custodians and locations of the documents or other materials which constitute the record of proceedings upon which the City Council's decision is based are respectively (a) the Project Implementation Division, 250 Frank Ogawa Plaza, 5th Floor, Oakland, CA; (b) Planning and Building Department, 250 Frank Ogawa Plaza, 3rd Floor, Oakland, CA; and (c) the Office of the City Clerk, 1 Frank Ogawa Plaza, 1st Floor, Oakland, CA.

SECTION 13. The recitals contained in this Ordinance are true and correct and are an integral part of the Council's decision.

SECTION 14. The Ordinance shall be in full force and effect immediately upon its passage as provided by Section 216 of the City Charter if adopted by at least six members of Council, or upon the seventh day after final adoption if adopted by fewer votes.

IN COUNCIL, OAKLAND, CALIFORNIA, OCT 06 2015 2015

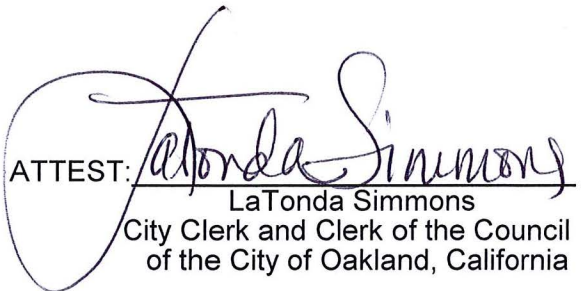
PASSED BY THE FOLLOWING VOTE:

AYES - ~~BROOKS~~, CAMPBELL WASHINGTON, GALLO, GUILLEN, KALB, KAPLAN, REID, and PRESIDENT GIBSON McELHANEY **-7**

NOES - **Brooks - 1**

ABSENT - **Ø**

ABSTENTION - **Ø**

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

Introduction Date

SEP 08 2015

EXHIBIT A
DDA TERM SHEET

**REAL ESTATE TERM SHEET
T-5/T-6 DEVELOPMENT PROJECT
(SEPTEMBER 8, 2015)**

1	OWNER	City of Oakland
2A	DEVELOPER	Strada T5, LLC a California limited liability company, ("Developer")
2B	GUARANTY	At close of escrow, Developer to provide City a Completion Guaranty for the Project, substantially in the form attached to the DDA. Guarantor must be a financially strong entity with significant assets, pursuant to criteria set forth in the DDA and acceptable to the City in its sole and absolute discretion.
3	PROPERTY	Approximately 1.25 acres of property in downtown Oakland that is within the block bounded by Broadway, 11th Street, 12th Street, and Clay Street, referred to as Site A and Site B inclusively (Developer to provide legal descriptions).
4	PROJECT DESCRIPTION	<p>Phase 1 shall be developed on Site A as a mixed use residential development of between 165 and 262 residential units and between 3,000 and 8,000 square feet of retail space.</p> <p>Phase 2 shall be developed on Site B as a 200 to 300 key hotel. If a hotel is not Financially Feasible (able to secure the requisite equity and debt sources necessary to build) on current market terms within two years of the date of the Agreement and with sufficient demonstration of lack of Financial Feasibility, Developer may seek the Council's approval to proceed with an alternative development of either (a) a 205,000 square foot office building or (b) between 165 and 262 residential units and between and between 3,000 and 8,000 square feet of retail space. Such approval shall be granted or denied in the Council's sole discretion. In the event that Developer has not demonstrated Financial Feasibility of the hotel, or secured City approval of an alternative project proposal, within 27 months of the Effective Date, the City may terminate the DDA with respect to Phase 2.</p>

5	PURCHASE PRICE	<p>The Purchase Price for Site A of the Property shall be \$3,350,000.</p> <p>The Purchase Price for Site B shall be 3,100,000 if used for a hotel and City's public subsidy programs and requirements shall apply. If, after determining that a hotel is not feasible on the Site B, the Developer requests amending DDA to allow a residential or office project on Site B and the City approves the change in use, the price will be set based on the then current fair market value.</p>
6	TERMS OF PAYMENT	<p>Purchase Price for each site to be due and payable in cash submitted into escrow 3 days before close of escrow. Escrow to close 30 days after all contingencies, including evidence of financial feasibility, building permits, and construction financing, have been met.</p>
7	DEPOSIT	<p>Upon executing the DDA, Developer will provide a \$50,000 good faith deposit. If Developer fails to fulfill the conditions or meet the obligations set forth in the DDA, City may retain the Good Faith Deposit as liquidated damages. Prior to close of escrow, City's sole remedy shall be to terminate the DDA and retain the good faith Deposit.</p>

<p>8</p>	<p>REPURCHASE OPTION</p>	<p>In addition to all other City remedies for Developer default, and subject to the notice an cure rights described below, if construction of a Phase does not start within 30 days after close of escrow or does not diligently continue construction thereafter, or the Developer does not complete construction within the time period required under the DDA (subject in each case to extension for force majeure), the City will have the option to repurchase the applicable Site for the original sale price and the then current fair market value of any physical improvements (the “Option”). Appraisal process to determine Fair Market Value will be set forth in the DDA. Prior to close of escrow, if force majeure individually or cumulatively exceeds twelve (12) months, either party shall have the right to terminate the agreement.</p> <p>City’s Option is assignable or transferable in its sole and absolute discretion.</p> <p>There will be a 30-day notice and cure process for any such default, and the cure period will be extended if the default cannot reasonably be cured within such 30-day period and the Developer has commenced and is proceeding diligently with efforts to cure the default; subject, however, to an maximum cure date deadline to be negotiated by the parties.</p> <p>The City will execute and record such instruments as Developer may reasonably request to terminate the Option, at such time as the Option is no longer exercisable in accordance with its terms.</p>
<p>9</p>	<p>SCHEDULE OF PERFORMANCE</p>	<p style="text-align: center;"><u>PHASE 1 SCHEDULE</u></p> <ol style="list-style-type: none"> 1. Developer submits Final Schematic Designs – 4 months after City approval of DDA. 2. Developer submits Design Development Plans – 10 months after City approval of DDA. 3. Developer submits Construction Drawings and Complete Applications for Building Permits – 18 months after City approval of DDA. 4. Developer submits Financial Plan (including evidence of construction financing and copy of construction contract) - 21 months after City approval of DDA. 5. Developer submits approved Building Permits – 23 months after City approval of DDA. 6. Conveyance/Close of Escrow/Commence Construction – Within 30 days following satisfaction of all City

conditions to closing but in no event later than 24 months following City approval of DDA.

7. Complete Construction – 30 months after conveyance (Developer may request a six-month extension of this date, to be approved by the City Administrator, which approval shall not be unreasonably withheld if Developer has demonstrated good faith efforts to Commence and Complete Construction in accordance the Schedule).

PHASE 2 SCHEDULE

1. Developer submits updated pro forma for development of the hotel – no later than 4 months after City approval of DDA.
2. Developer submits notice of determination of financial feasibility of hotel (“Hotel Feasibility Notice”), or seeks Council approval of alternative development – within 24 months following City approval of DDA.
3. Developer submits Final Schematic Designs – no later than 4 months following delivery of Hotel Feasibility Notice.
4. Developer submits Design Development Plans – 10 months after delivery of Hotel Feasibility Notice.
5. Developer submits Construction Drawings and Complete Applications for Building Permits – 18 months after delivery of Hotel Feasibility Notice.
6. Developer submits Financial Plan (including evidence of construction financing and copy of construction contract) - 21 months after delivery of Hotel Feasibility notice.
7. Developer submits approved Building Permits – 23 months after delivery of Hotel Feasibility Notice.
8. Conveyance/Close of Escrow/Commence Construction – Within 30 days following satisfaction of all City conditions to closing but in no event later than 24 months following delivery of Hotel Feasibility Notice.
9. Complete Construction – 30 months after conveyance (Developer may request a six-month extension of this date, to be approved by the City Administrator, which

		<p>shall not be unreasonably withheld if Developer has demonstrated good faith efforts to Commence and Complete Construction in accordance with the Schedule)</p> <p>(All Phase 1 and 2 dates subject to events of force majeure, up to an aggregate maximum delay of one year.)</p> <p>Developer may request a two-month extension of pre-closing deadlines, to be approved by the City Administrator in his or her reasonable discretion. Such approval shall not be unreasonably withheld if Developer demonstrates good faith efforts to meet conditions precedent to closing pursuant to the Schedule.</p>
10	OFF-SITE IMPROVEMENTS	Developer to be responsible for the cost of required off-site improvements in connection with the Project.
11	TITLE INSURANCE	Developer to secure title insurance policy, if desired, at its own cost and expense.
12	CLOSING COSTS	Developer to pay all escrow fees and closing costs including, without limitation, city and any other county taxes.
13	LIMITATIONS ON PROPERTY RIGHTS	Developers accept and acknowledge the Property is subject to: 1) deed restrictions and a recorded covenant to restrict use of property. Developer to comply with provisions of the Central District Redevelopment Plan and nondiscrimination provisions of redevelopment law. As a condition to closing, the City shall use commercially reasonable efforts, which shall be limited to reasonable amounts of staff time with no out-of-pocket expenditures, to secure certain easements necessary for the Project pursuant to the City Center Third Amended and Restated Easement Agreement (“3 rd AREA”) and any amendments thereto related, including but not limited to the easements described in Subparagraphs 5.2(c), (d), (e), (f), (g) and (i) and Paragraph 3.4 of the 3rd AREA, and a right to use or a shared exclusive easement as described in Subparagraph 5.2(a) of the 3rd AREA; all of such easement rights to be in recordable form .
14	CONDITION OF PROPERTY AT DELIVERY	Developer to take the Property in its “as-is” condition.

15	ENVIRONMENTAL REMEDIATION	Environmental Notice. The City hereby gives notice to the Developer that, to the best of its knowledge and relying on analysis performed by its environmental consultants, there are no Hazardous Materials present on or beneath the Property other than those set forth in those environmental assessments and reports attached as Exhibit A. Developer agrees to accept the Property “as is” in its current condition without warranty express or implied by the City with respect to the presence of hazardous materials known or unknown on or near the Property. Notwithstanding the foregoing, the City shall hold in escrow for Developer up to \$1,000,000 of the Purchase Price to be credited back to Developer for Developer’s actual Environmental Remediation expenditures, if any.
16	INDEMNIFICATION	Developer shall agree to provide standard commercial hold harmless and defend provisions to the City of Oakland and its employees, officers, directors, shareholders, partners and agents. City and Developer to negotiate the various levels of indemnification as part of the DDA.
17	CITY MAINTENANCE	Upon Close of Escrow, Developer is responsible for all maintenance within the Property.
18	NO COMMISSION	City shall not pay or be liable for any commissions or brokerage fees. City/Developer shall hold harmless and defend City/Developer against any claims for commissions or brokerage fees.
19	SIGNAGE	Developers may not install or place signage on any existing City street on the Property or the public corridor. Developer may install and place signage on the remaining Property in compliance with City codes and any other applicable codes or regulations.
20	STANDARD OF PROPERTY	Developer to maintain the Property and Project in first-class condition and will ensure at no time does the Property violate the City Blight Ordinance.
21	CITY PROGRAMS & COMMUNITY BENEFITS	<p>If the Developer decides to pursue a project that requires less than full market price for the land or includes some other City subsidy – below market loan, tax credits, etc. - then the following City benefits are required, including: labor peace agreement, prevailing wages, living wages, local and small local business, equal benefits, disabled access, and apprenticeship/job training/first source hiring programs.</p> <p>Other community benefits are described under Item 29 [Public Benefits] below.</p>

22	PAYMENT & PERFORMANCE BONDS	Developer shall obtain payment bond in an amount not less than 100% of the cost of construction of the Project pursuant to the Construction Contract to be executed by Developer, only if it is a requirement of the Developer's lender or investor. Developer shall obtain performance bond in an amount not less than 100% of the cost of construction of the Project pursuant to the Construction Contract to be executed by Developer, only if it is a requirement of the Developer's lender or investor.
23	RIGHT OF ENTRY	Developer to have the right to enter onto the property prior to transfer to conduct any investigation, testing, appraisals and other studies, at Developers cost, required as part of its due diligence. Developer shall be required to provide City with indemnity and evidence of insurance and meet other standard City conditions to entry.
24	FINANCING	DDA will include an objective standard (experience, size, etc.) of what an "Approved Lender" is, subject to administrative approval. The DDA will be subject to customary mortgagee protections for any construction financing.
25	PERMITTED TRANSFERS	Prior to project completion, Developer shall not have the right to assign or transfer all or any portion of its rights and obligations under the Agreement, other than an Affiliate Transfer, without the prior written consent of the City, in the City's sole and absolute discretion. An Affiliate Transfer shall not require consent and shall mean a transfer to an entity or entities for which Strada maintains development management responsibilities and control.
26	PARKING	The City to reserve UP TO 200 parking spaces at the prevailing market rate in City Center Garage West for Project occupants as negotiated by the City Administrator and Developer. Upon the date the Project is first occupied by tenants and for five years thereafter, the option to license parking spaces herein shall be limited to a maximum of 200 parking spaces. Thereafter, the option to license parking spaces shall be limited to the highest number of parking spaces, but not to exceed 200, actually licensed to tenants, residents and/or the homeowners association at any given time during the initial five year period for both Site A and B. The City Center Garage West parking spaces shall be counted towards any minimum parking requirements for the Project.

		"Prevailing Market Rate" means the monthly fee for the same type of Parking Space in the same parking facility being used in a similar manner, excluding city employee parking. If there are no other similar Parking Spaces or no Parking Spaces used in the same manner in the parking facility, the Prevailing Market Rate means the monthly fee for such a Parking Space in other nearby parking garages.
27	PROJECT COMPLETION	Following issuance of final certificate of occupancy and certificate of completion for Phase 1 of the Project, the City shall have no rights of repurchase of Phase 1 under the Agreement or any approval rights over the subsequent transfers, assignments, or financings. Following issuance of final certificate of occupancy and certificate of completion for Phase 2 of the Project, the City shall have no rights of repurchase of Phase 2 under the Agreement or any approval rights over the subsequent transfers, assignments, or financings.
28	STANDARD CONDITIONS	DDA to include standard City conditions, including without limitation, provision of labor and completion bonds, executed completion guaranty, approval of financing plan, copies of all required regulatory approvals, and insurance policies.
29	PUBLIC BENEFITS	Developer has agreed to provide the following public benefits, : <ol style="list-style-type: none"> 1. Developer shall pay \$1,800,000 to the Oakland Affordable Housing Trust Fund, which funds may be used by the City, in its sole discretion, to fund the predevelopment and entitlement work – including architecture, engineering, environmental review and tax credit consultants– needed to develop 100% affordable projects in District 3. 2. Developer shall design and construct a 12,850-square-foot (privately owned and maintained by Developer) public plaza on the 12th Street side of the Property that includes landscaping and pedestrian-oriented hardscape, repurposed shipping containers, interactive public art and outdoor café seating at a cost of more than \$900,000. Developer shall work with the Planning Department on an Operations Plan to ensure the Plaza is maintained as a lively, clean and safe public amenity, and Developer’s continuing obligations with respect to maintenance of and public access to the plaza will be memorialized in a recorded agreement with the City substantially in the form attached to the DDA. Developer will provide funding to the Downtown

		<p>Oakland Community Benefit District (CBD) for such services and to support the downtown neighborhood at a cost of approximately \$54,000 per year. This contribution of annual project income equates to a loss in future sales value of \$1,200,000 (using a 4.5% capitalization rate).</p> <ol style="list-style-type: none"> 3. Developer has entered into a Project Labor Agreement (PLA) with the Alameda County Building Trades to ensure the Project is completed with union labor. 4. Developer has entered into a Card Check Neutrality Agreement with Unite Here Local 2850 to ensure any hotel built on the Property is operated with Union Labor. 5. As set forth in the PLA, Developer shall comply with a local hire program that commits to filling at least 25% of all apprentice jobs on the Property through a certified apprenticeship program, such as Cypress Mandela, and to fund \$70,000 for the training of up to 10 new local apprentices. 6. Developer shall enter into a construction services agreement with Oakland-based Turner Group Construction related to concrete, general site services and assistance in maximizing small and local business opportunities related to the Project. <p>Developer shall fund at least \$30,000 for outreach and local hire resource services (including multilingual outreach) to maximize opportunities for small and local businesses. The PLA for the Project incorporates these opportunities as well.</p>
30	<p>PROHIBITION ON GENERATION OF CONDOMINIUM CONVERSION RIGHTS</p>	<p>The DDA shall include an acknowledgment and agreement by Developer that the Project shall not generate, and the Developer shall not assert, condominium “conversion rights” under Chapter 16.36 of the Oakland Municipal Code.</p>

Exhibit A
Environmental Assessments

1. Environmental Site Assessment and Fill Characterization Report, City Center Parcels T5 and T6, Oakland, California; Woodward-Clyde Consultants; June 7, 1993
2. Soil & Groundwater Sampling, City Center Parcel T-5/6, Oakland, California; Subsurface Consultants, Inc.; August 21, 2001
3. Soil & Water Sampling, City Center Parcel T-5 and T-6, Oakland, California; Subsurface Consultants, Inc.; September 19, 2001
4. Supplemental Soil & Groundwater Investigation, City Center Parcel T-5 and T-6, Oakland, California; Subsurface Consultants, Inc.; July 16, 2002

NOTICE AND DIGEST

An Ordinance Authorizing the City Administrator, without returning to the City Council, to negotiate and execute a Disposition And Development Agreement and related documents between the City of Oakland, and Strada T5, LLC (or its Related entities or Affiliates) for sale of property on the block bounded by Broadway, 11th Street, 12th Street and Clay Street, commonly known as T-5/T-6, for no less than \$6.45 million and development as a residential mixed-use and hotel projects, all of the foregoing documents to be in a form and content substantially in conformance with the term sheet attached as Exhibit A.