

**CITY OF OAKLAND  
AGENDA REPORT**

OFFICE OF THE CITY CLERK  
2006/12/13 11:06:50

TO: Office of the City/Agency Administrator  
ATTN: Deborah Edgerly  
FROM: Community and Economic Development Agency  
DATE: December 12, 2006

**RE: Agency Resolution Authorizing the Agency Administrator to Accept and Appropriate \$29,303,864 in Funds From the Oakland Base Reuse Authority (OBRA) Budget**

**Resolution Authorizing the City Administrator to Accept Funds From the Redevelopment Agency for Reimbursement of Expenses Related to the Implementation of OBRA Projects**

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**SUMMARY**

In June 2006, the Agency approved the FY 2006-07 Budget for the Oakland Base Reuse Authority (OBRA); and it authorized staff to assume control of the funds, assets, and liabilities of OBRA. The OBRA budget has since been incorporated into the budget of the Oakland Army Base Redevelopment Project Area. However, in order to more accurately show the use of funds, staff is requesting the authority to appropriate \$29,303,864 in expenditures from the OBRA Budget into the Agency OBRA funds (as described below).

**FISCAL IMPACT**

The proposed resolutions would clarify staff's authority to administer existing funds that were incorporated into the Agency Budget in June 2006. The resolution would also make several adjustments to the FY 2006-07 OBRA Budget in order to more accurately show the use of funds. The distribution of OBRA funds would be as shown in Table 1 below.

**BACKGROUND**

During the past year, as OBRA reached the completion of its mission – i.e., to prepare the Oakland Army Base site for conveyance to the Redevelopment Agency and the Port – OBRA prepared to dissolve itself and to have its operations and finances absorbed by the Agency.

On June 26, 2006, the OBRA Governing Board approved its operating budget for FY 2006-07; and it authorized the transfer of its assets and liabilities to the Agency (Resolution 2006-07). On June 27, 2006, the Agency approved resolutions to: (1) accept all of the assets and obligations of the OBRA; and (2) take all actions necessary to complete the dissolution of OBRA (Resolution 2006-0049 C.M.S.). The City Council approved companion resolutions to facilitate the

**Table 1: Proposed Appropriation of OBRA Budgeted Expenditures**

<b>Fund</b>	<b>Original Budget</b>	<b>Proposed Adjustment</b>	<b>Revised Budget</b>
Leasing, Utilities & Operations (9575)	\$10,626,578	\$10,627,888	<b>\$21,254,466</b>
Environmental Remediation (9576)	\$12,037,809	(\$5,730,270) <sup>1</sup>	<b>\$6,307,539</b>
Federal & State Grants (9577)	\$1,352,113	\$389,746	<b>\$1,741,859</b>
	<i>\$24,016,500</i>	<i>\$5,287,364</i>	<b>\$29,303,864</b>

dissolution of OBRA (Resolution 80001 C.M.S.).<sup>2</sup> On August 7, 2006, the Agency took ownership of the Army Base property. The Agency is now responsible for implementing all OBRA projects and operations, as identified in the FY 2006-07 OBRA Budget.

**KEY ISSUES AND IMPACTS**

In order to more accurately show the use of funds, staff is requesting the authority to appropriate \$29,303,864 in expenditures from the OBRA Budget into the funds shown in Table 1 (see above). As shown in Table 1, there are several adjustments that need to be made to the fund amounts within the OBRA Budget. These adjustments are needed because:

1. The original OBRA budget placed several budget items in the wrong Fund. The adjustments will clarify the budget by moving those budget items to the correct Funds. For example, several costs (totaling \$5,730,270) were formerly listed under Fund 9576 (Environmental Remediation) but are now more correctly reported under Fund 9575 (Operating Costs).
2. OBRA extended several tenant leases for longer than was anticipated in the original FY 2006-07 OBRA Budget. This resulted in increased revenues for OBRA, but at the same time it increased the operating costs associated with the Leasing Program (for example, the utility costs needed to serve tenants for an increased number of months). These costs must be accurately reflected in Leasing, Utilities & Operations Fund (9575) of the OBRA Budget.

<sup>1</sup> As described below, there were \$5,730,270 in environmental remediation costs that were previously reported in Fund 9576 (Environmental Remediation) but which, for accounting purposes, are more correctly reported in Fund 9575 (Operating Costs). Therefore the \$5,730,270 is proposed to be transferred from Fund 9576 to Fund 9575.

<sup>2</sup> Note: At the time these resolutions were approved, there was confusion as to which OBRA expenditures should be represented within the FY 2006-07 OBRA Budget, as opposed to being represented in future years. As a result, there was a discrepancy between the budget amount approved by the OBRA Governing Board versus the budget amount approved by the Agency Board. The proposed resolutions will clarify the proper accounting of OBRA expenditures within the Agency Budget.

3. The revised OBRA Budget includes \$3 million for roads and other infrastructure that the Agency plans to build in the North Gateway, as part of the overall Freeway Auto Mall project.
4. Changes have been made to more accurately reflect the schedule of payments for environmental remediation. Currently, the Agency has \$6.3 million in Federal grant funds that it can use to help pay the costs for environmental remediation. In the original OBRA budget, only \$5 million was anticipated to be spent in FY 2007-07, with the remaining grant funds spent in future years. However, it now appears that remediation will occur faster than originally planned, so that all of the \$6.3 million may be needed during FY 2006-07.
5. OBRA was awarded a \$1.7 million grant from the U.S. Economic Development Administration (EDA) to help pay for infrastructure design and engineering. Initially, the EDA grant was to be spent partly in FY 2006-07 and partly in FY 2007-08. Therefore, only \$1,352,113 of expenditures was included in the FY 2006-07 OBRA Budget. However, EDA has informed the Agency that, in order for the Agency to receive the full amount of the grant, the Agency must expend the full \$1.7 million balance of funds available in FY 2006-07.

A detailed line item budget, showing the differences between the original and the revised OBRA Budgets, is included in Attachment A. As shown in Attachment A, total OBRA revenues are equal to \$29,400,059. This amount is sufficient to cover the total OBRA expenses of \$29,303,864.

#### **SUSTAINABLE OPPORTUNITIES**

The proposed action does not involve the approval of any specific projects or programs. Sustainable development opportunities will be addressed as specific development plans are submitted to the Agency by the project sponsor for review and approval.

#### **DISABILITY AND SENIOR CITIZEN ACCESS**

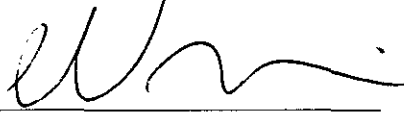
The proposed action does not involve the approval of any specific projects or programs. Disability and senior access issues would be addressed when specific development plans are submitted to the City by the project sponsor for review and approval.

#### **ACTION REQUESTED OF THE CITY COUNCIL/REDEVELOPMENT AGENCY**

In order to implement the freeway auto mall project, a 15-acre development for ancillary maritime services, and other projects identified in the FY 2006-07 OBRA Budget, staff is requesting that the Agency Board approve the attached resolutions, which will clarify staff's legislative authority to administer and manage OBRA funds. The proposed resolutions would authorize staff to appropriate the \$29,303,864 in funds from the OBRA Budget into Funds 9575 (Leasing, Utilities

& Operations), 9576 (Environmental Remediation), and 9577 (Federal & State Grants), as described above; and

Respectfully submitted,



**Daniel Vanderprien**  
Director of CEDA Redevelopment, Economic  
Development, Housing & Community Development

Prepared by:  
Alex Greenwood  
Urban Economic Coordinator, CEDA,  
Redevelopment Division

APPROVED AND FORWARDED TO  
THE COMMUNITY AND ECONOMIC DEVELOPMENT COMMITTEE:

  
**OFFICE OF THE CITY ADMINISTRATOR**

**Attachment A**  
**Oakland Base Reuse Authority**  
**Proposed Revised FY 2006-07 Budget**

	<b>OBRA</b>					
	<b>Approved FY</b>	<b>Proposed</b>	<b>Revised</b>	<b>Fund 9575</b>	<b>Fund 9576</b>	<b>Fund 9577</b>
	<b>2006-07</b>	<b>Revisions</b>	<b>FY2006-07</b>			
<b>Operating Revenues</b>						
Leasing	1,327,800	332,330	1,660,130	1,660,130		
Utilities	0	240,000	240,000	240,000		
Environmental Remediation Funding (ESCA)	5,000,000	1,307,539	6,307,539		6,307,539	
Port Remuneration (sale of land)	7,019,000	5,400,000	12,419,000	12,419,000		
Federal and State Grants	1,350,000	391,859	1,741,859			1,741,859
Interest Income	0	300,000	300,000			
<b>Total Operating Revenues</b>	<b>14,696,800</b>	<b>7,971,728</b>	<b>22,668,528</b>	<b>14,319,130</b>	<b>6,307,539</b>	<b>1,741,859</b>
<b>Beginning Net Assets:</b>						
<b>OBRA unrestricted fund balance as of June 30, 2006</b>	<b>6,317,192</b>	<b>(3,680,287)</b>	<b>2,636,905</b>			
<b>OBRA restricted fund balance as of June 30, 2006</b>	<b>4,094,626</b>	<b>0</b>	<b>4,094,626</b>			
<b>Total Revenues</b>	<b>25,108,618</b>	<b>4,291,441</b>	<b>29,400,059</b>	<b>14,319,130</b>	<b>6,307,539</b>	<b>1,741,859</b>
<b>Operating Expenses</b>						
Personnel	1,600,000		1,600,000	1,600,000		
Project Related Personnel	460,000		460,000	460,000		
Grant Matching 25% match based on \$1.7 million	450,000	(450,000)	0			
Municipal Services	1,429,000		1,429,000	1,429,000		
Operating and Administrative Expenses	175,000		175,000	175,000		
Audit services	23,000		23,000	23,000		
Infrastructure services	1,350,000	972,479	2,322,479	580,620		1,741,859
Environmental Remediations Services	5,000,000	1,307,539	6,307,539		6,307,539	
Contract Services	1,410,500	457,346	1,867,846	1,867,846		
Development Expenses for Automall	0	3,000,000	3,000,000	3,000,000		
Gateway Development Area Shoreline Park	3,000,000		3,000,000	3,000,000		
Public Trust related expenditures	4,019,000		4,019,000	4,019,000		
Capital Outlays	100,000		100,000	100,000		
Debt Service	5,000,000		5,000,000	5,000,000		
<b>Total Operating Expenses</b>	<b>24,016,500</b>	<b>5,287,364</b>	<b>29,303,864</b>	<b>21,254,466</b>	<b>6,307,539</b>	<b>1,741,859</b>
<b>Ending Fund Balance</b>	<b>1,092,118</b>	<b>(995,923)</b>	<b>96,195</b>			

OFFICE OF THE CITY CLERK  
CITY OF OAKLAND

2006 NOV 30 PM 6:50

  
Agency Counsel

# OAKLAND REDEVELOPMENT AGENCY

RESOLUTION No. \_\_\_\_\_ C.M.S.

## RESOLUTION AUTHORIZING THE AGENCY ADMINISTRATOR TO ACCEPT AND APPROPRIATE \$29,303,864 IN FUNDS FROM THE OAKLAND BASE REUSE AUTHORITY (OBRA) BUDGET

**WHEREAS**, The Oakland Base Reuse Authority ("OBRA") was created by a joint powers agreement ("JPA") among the City of Oakland ("City"), the Redevelopment Agency of the City of Oakland ("Agency") and the County of Alameda on March 14, 1995, as restated and revised on July 15, 2003 ("JPA") for the purpose of planning for the closure and reuse of closed military bases within the City of Oakland; and

**WHEREAS**, On June 26, 2006, the OBRA Governing Board passed Resolution 2006-07, which approved and adopted the Proposed 2005-2006 Operating Budget for OBRA in an amount not to exceed \$24,016,500 and which authorized the appropriation of funds for Fiscal Year 2006-2007 OBRA operating expenses; and

**WHEREAS**, On June 27, 2006, the City passed Resolution 80001 C.M.S. and the Agency passed Resolution 2006-0049 C.M.S., which authorized the Agency Administrator to accept and transfer all of the financial assets and liabilities of OBRA to the Agency and to incorporate the 2006-2007 OBRA Budget into the Agency Budget; and

**WHEREAS**, The Agency formally accepted the assets and liabilities of OBRA effective August 8, 2006; and

**WHEREAS**, The City wishes to clarify that the Agency Administrator has the administrative authority necessary to manage the funds that have been transferred from OBRA and incorporated into the Agency Budget, in order to carry out the projects formerly handled by OBRA; and

**WHEREAS**, In order to more accurately account for the expenditures of OBRA funds within the 2006-2007 OBRA Budget, the Agency wishes to approve the modifications to the OBRA Budget that are shown in the Table attached and incorporated into this Resolution as Attachment A; Now therefore be it

**RESOLVED**: That the Agency Administrator is hereby authorized to accept and appropriate \$29,303,864 in funds from the OBRA Budget within the OBRA Leasing & Utility Fund (9575); OBRA Environmental Remediation Fund (9576); and OBRA Federal & State Grants Fund (9577); 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 does not necessitate preparation of a subsequent or supplemental EIR Section 15162 (subsequent EIRs and negative declarations), and otherwise is exempt from CEQA Section 15301 (existing facilities), 15320 (changes in organization of local agencies) of the CEQA Guidelines; and be it

**FURTHER RESOLVED:** That the Agency Administrator or her designee shall cause to be filed with the County of Alameda a Notice of Exemption for this action.

IN AGENCY, OAKLAND, CALIFORNIA, \_\_\_\_\_, 2006

**PASSED BY THE FOLLOWING VOTE:**

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

NOES-

ABSENT-

ABSTENTION-

ATTEST: \_\_\_\_\_  
LATONDA SIMMONS  
Secretary of the Redevelopment Agency  
of the City of Oakland

**Attachment A**  
**Oakland Base Reuse Authority**  
**Proposed Revised FY 2006-07 Budget**

	OBRA Approved FY 2006-07	Proposed Revisions	Revised FY2006-07	Fund 9575	Fund 9576	Fund 9577
<b><u>Operating Revenues</u></b>						
Leasing	1,327,800	332,330	1,660,130	1,660,130		
Utilities	0	240,000	240,000	240,000		
Environmental Remediation Funding (ESCA)	5,000,000	1,307,539	6,307,539		6,307,539	
Port Remuneration (sale of land)	7,019,000	5,400,000	12,419,000	12,419,000		
Federal and State Grants	1,350,000	391,859	1,741,859			1,741,859
Interest Income	0	300,000	300,000			
<b>Total Operating Revenues</b>	<b>14,696,800</b>	<b>7,971,728</b>	<b>22,668,528</b>	<b>14,319,130</b>	<b>6,307,539</b>	<b>1,741,859</b>
<b>Beginning Net Assets:</b>						
OBRA unrestricted fund balance as of June 30, 2006	6,317,192	(3,680,287)	2,636,905			
OBRA restricted fund balance as of June 30, 2006	4,094,626	0	4,094,626			
<b>Total Revenues</b>	<b>25,108,618</b>	<b>4,291,441</b>	<b>29,400,059</b>	<b>14,319,130</b>	<b>6,307,539</b>	<b>1,741,859</b>
<b><u>Operating Expenses</u></b>						
Personnel	1,600,000		1,600,000	1,600,000		
Project Related Personnel	460,000		460,000	460,000		
Grant Matching 25% match based on \$1.7 million	450,000	(450,000)	0			
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Public Trust related expenditures	4,019,000		4,019,000	4,019,000		
Capital Outlays	100,000		100,000	100,000		
Debt Service	5,000,000		5,000,000	5,000,000		
<b>Total Operating Expenses</b>	<b>24,016,500</b>	<b>5,287,364</b>	<b>29,303,864</b>	<b>21,254,466</b>	<b>6,307,539</b>	<b>1,741,859</b>
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OFFICE OF THE CITY CLERK

2006 NOV 30 PM 6:50

*James Altman*  
City Attorney

OAKLAND CITY COUNCIL

RESOLUTION No. \_\_\_\_\_ C.M.S.

**RESOLUTION AUTHORIZING THE CITY ADMINISTRATOR TO ACCEPT FUNDS FROM THE REDEVELOPMENT AGENCY FOR REIMBURSEMENT OF EXPENSES RELATED TO THE IMPLEMENTATION OF OBRA PROJECTS**

**WHEREAS**, The Oakland Base Reuse Authority ("OBRA") was created by a joint powers agreement ("JPA") among the City of Oakland ("City"), the Redevelopment Agency of the City of Oakland ("Agency") and the County of Alameda on March 14, 1995, as restated and revised on July 15, 2003 ("JPA") for the purpose of planning for the closure and reuse of closed military bases within the City of Oakland; and

**WHEREAS**, On June 26, 2006, the OBRA Governing Board passed Resolution 2006-07, which approved and adopted the Proposed 2005-2006 Operating Budget for OBRA in an amount not to exceed \$24,016,500 and which authorized the appropriation of funds for Fiscal Year 2006-2007 OBRA operating expenses; and

**WHEREAS**, On June 27, 2006, the City passed Resolution 80001 C.M.S. and the Agency passed Resolution 2006-0049 C.M.S., which authorized the Agency Administrator to accept and transfer all of the financial assets and obligations of OBRA to the Agency; and

**WHEREAS**, Implementation of the projects identified in the 2006-2007 OBRA Budget will require the administrative transfer of funds from the Agency to the City; and

**WHEREAS**, The City wishes to clarify that the City Administrator has the administrative authority necessary to manage the funds that have been transferred from OBRA and incorporated into the Agency Budget, in order to carry out the projects formerly handled by OBRA; and

**WHEREAS**, In order to more accurately account for the expenditures of OBRA funds within the 2006-2007 OBRA Budget, the City wishes to approve the modifications to the OBRA Budget that are shown in the Table attached and incorporated into this Resolution as Attachment A; Now therefore be it

**RESOLVED**: That the City Administrator is hereby authorized to accept funds from the Redevelopment Agency for reimbursement of expenses related to the implementation of OBRA projects; and be it

**FURTHER RESOLVED:** That the City Administrator or her designee shall cause to be filed with the County of Alameda a Notice of Exemption for this action.

IN SESSION, OAKLAND, CALIFORNIA, \_\_\_\_\_, 2006

**PASSED BY THE FOLLOWING VOTE:**

AYES- BROOKS, BRUNNER, CHANG, KERNIGHAN, NADEL, QUAN, REID, AND  
PRESIDENT DE LA FUENTE

NOES-

ABSENT-

ABSTENTION-

ATTEST: \_\_\_\_\_  
LATONDA SIMMONS  
City Clerk and Clerk of the  
Council of the City of  
Oakland, California

**Attachment A**  
**Oakland Base Reuse Authority**  
**Proposed Revised FY 2006-07 Budget**

	OBRA					
	Approved FY 2006-07	Proposed Revisions	Revised FY2006-07	Fund 9575	Fund 9576	Fund 9577
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