


CITY ATTORNEY'S OFFICE

OAKLAND CITY COUNCIL

RESOLUTION NO. _____ C.M.S.

INTRODUCED BY COUNCILMEMBER CARROLL FIFE

RESOLUTION (1) AUTHORIZING THE CITY ADMINISTRATOR TO NEGOTIATE TERMS FOR AN EXCLUSIVE NEGOTIATING AGREEMENT WITH COSTCO WHOLESALE CORPORATION AND DECA COMPANIES, LLC TO DEVELOP A COSTCO WHOLESALE AND RETAIL GENERAL MERCHANDISE FACILITY IN THE NORTH GATEWAY DEVELOPMENT AREA OF THE FORMER OAKLAND ARMY BASE AND (2) DECLARING THE PROPERTY EXEMPT SURPLUS LAND

WHEREAS, on July 1, 2000, the Redevelopment Agency adopted the Redevelopment Plan for the Oakland Army Base Redevelopment Project ("Oakland Army Base Redevelopment Plan"); and

WHEREAS, one of the goals included in the Oakland Army Base Redevelopment Plan was subdividing the site into parcels suitable for modern, integrated development; and

WHEREAS, one of the proposed actions included in the Oakland Army Base Redevelopment Plan was redevelopment of land by private enterprise; and

WHEREAS, the City acquired the 22-acre North Gateway parcel from the federal government on August 8, 2003; and

WHEREAS, the potential development of wholesale and retail general merchandise facility in the North Gateway development area of the former Oakland Army Base would improve the economic conditions in the Area; and

WHEREAS, Oakland has expressed interest in development of a Costco store on the North Gateway site; and

WHEREAS, the City previously entered into Exclusive Negotiating Agreement and Lease and Disposition Development Agreement (L/DDA) with two recycling firms to relocate their operations to the parcel; and

WHEREAS, on February 12, 2012, the City entered into an Exclusive Negotiating Agreement (North Gateway Recyclers Project) with CASS and California Waste Solutions

(“CWS”) (the “Joint ENA”), to jointly relocate their recycling operations to the North Gateway Area of the Oakland Army Base but that joint ENA expired in 2016; and

WHEREAS, the City then entered into individual ENAs with the recyclers and eventually an L/DDA with CWS in 2021, but there are no longer any agreements with the two entities concerning the North Gateway site; and

WHEREAS, there have also been multiple efforts to utilize the North Gateway site for homeless shelter intervention(s) but the site is subject to deed restrictions that prohibit any residential housing unless a waiver is obtained from the Department of Toxic Substances Control (DTSC) and extensive toxics mitigation is completed; and

WHEREAS, an Informational Report was presented to the City Council on June 7, 2022 (the “Informational Report”) outlining the process and associated costs to waive the deed restrictions prohibiting residential housing; and

WHEREAS, the crisis of homelessness is immediate and because of the time it would take to prepare this site for human use, experts have argued that it is neither timely, nor financially or administratively feasible for the City to secure a DTSC waiver and conduct the necessary site mitigation; and

WHEREAS, on the December 17, 2024, the City Council approved Ordinance No. 13829 C.M.S., authorizing the City Administrator to negotiate and execute a lease agreement with UCSF Benioff Children’s Hospital Oakland for 8.4-acre of the North Gateway property for a temporary helipad/helistop for emergency transportation services for an approximately four year term; and

WHEREAS, the City finds that exploring longer term uses for the parcel will not conflict with the agreement pursuant to Ordinance No. 13829; and

WHEREAS, bringing a wholesale retailer to the site is important for jobs, tax revenue, development, and economic vitality to Oakland; and

WHEREAS, improving access to retail, with more options for area residents to shop in Oakland, will strengthen the economy and improve quality of life, and has been a recommendation of multiple economic and planning reports; and

WHEREAS, the City of Oakland, Costco Wholesale Corporation, and Deca Companies, LLC wish to enter into a period of preliminary study and negotiations, understanding that this does not constitute a binding commitment on the part of the City to any project or developer for the property; and

WHEREAS, under the California Surplus Land Act (Government Code Section 54220 *et seq.*) (the “Surplus Land Act”), surplus property is defined as land owned by any local agency no longer necessary for the agency’s use; and

WHEREAS, based on the results of the discussion of terms for a potential ENA, the City may opt to waive the competitive process pursuant to Chapter 2.42 of the Oakland Municipal Code; now therefore be it

RESOLVED: That the City Council hereby authorizes the City Administrator to negotiate the terms of an Exclusive Negotiating Agreement with Costco Wholesale Corporation and Deca Companies, LLC, for purposes of studying and evaluating the feasibility of, and negotiating terms and conditions for the potential development of a Costco Wholesale and Retail General Merchandise facility in North Gateway Development Area; and be it

FURTHER RESOLVED: That upon successful negotiation, the proposed terms of an Exclusive Negotiating Agreement will be presented to the City Council for approval and authorization to enter into an Exclusive Negotiating Agreement along with the adoption of requisite findings for a waiver of the competitive process under Chapter 2.42; and be it

FURTHER RESOLVED: That the City Council finds and determines on an independent basis, that the property is exempt surplus land pursuant to Government Code Section 54221(f)(1)(J) of the Surplus Land Act because the property is subject to a valid legal restriction not imposed by the City which prohibits any residential housing and, for the reasons outlined in the Informational Report, there is no feasible method to satisfactorily mitigate or avoid the prohibition on the site; and be it

FURTHER RESOLVED: That the City has independently reviewed and considered this environmental determination, and the City finds and determines that this action will not result in a direct or indirect physical change in the environment and does not in-and of-itself constitute a "project" pursuant to the California Environmental Quality Act (CEQA) Guidelines Section 15378; and be it

FURTHER RESOLVED: That the City Council finds and determines any proposed disposition of the Property will require further discretionary actions of the City Council, and the City retains full discretion, following conclusion of the negotiation of terms for an Exclusive Negotiating Agreement to proceed with disposition of its interest in the subject property in compliance with the California Environmental Quality Act ("CEQA"); and be it

FURTHER RESOLVED: That the City Administrator is further authorized to take whatever action is necessary with respect to the negotiation of the terms for an Exclusive Negotiating Agreement consistent with this Resolution and its basic purposes.

IN COUNCIL, OAKLAND, CALIFORNIA,

PASSED BY THE FOLLOWING VOTE:

AYES - BROWN, FIFE, GALLO, HOUSTON, RAMACHANDRAN, UNGER, WANG, AND
PRESIDENT JENKINS

NOES -

ABSENT -

ABSTENTION -

ATTEST: _____

ASHA REED
City Clerk and Clerk of the Council of the
City of Oakland, California