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OFFICE OF THE CITY CLERK
OAKLAND

APPROVED AS TO FORM AND LEGALITY

CITY ATTORNEY'S OFFICE

OAKLAND CITY COUNCIL

RESOLUTION NO. 91254 C.M.S.

SPONSORED BY MAYOR BARBARA LEE
AND COUNCILMEMBER CARROLL FIFE

A RESOLUTION:

(1) AUTHORIZING THE CITY ADMINISTRATOR TO NEGOTIATE AND EXECUTE AN EXCLUSIVE NEGOTIATION AGREEMENT WITH COSTCO WHOLESALE CORPORATION FOR DEVELOPMENT OF A COSTCO STORE ON CITY PROPERTY LOCATED AT 101 ADMIRAL ROBERT TONEY WAY AND 2308 WAKE AVENUE, FOR A 24 MONTH TERM, CONDITIONED ON A $300,000 EXCLUSIVE NEGOTIATION PAYMENT, WITH TWO ADDITIONAL SIX-MONTH ADMINISTRATIVE EXTENSIONS, EACH CONDITIONED ON PAYMENT OF AN ADDITIONAL $25,000;

(2) WAIVING COMPETITIVE BIDDING UNDER OAKLAND MUNICIPAL CODE CHAPTER 2.42; AND

(3) ADOPTING CALIFORNIA ENVIRONMENTAL QUALITY ACT FINDINGS

WHEREAS, the City of Oakland ("City") owns certain adjacent parcels located at 101 Admiral Robert Toney Way (Assessor Parcel Number 18-508-16) and 2308 Wake Avenue (Assessor Parcel Number 18-508-17), within the former Oakland Army Base North Gateway Area (collectively, the "Property"), which together are comprised of approximately 20.43 acres of largely unimproved land; and

WHEREAS, the Property is subject to Covenants to Restrict Use of Property Environmental Restrictions recorded in the Official Records of Alameda County, California ("Official Records"), on August 8, 2003 as Instrument No. 2003466371 and on November 13, 2004 as Instrument No. 2004513848, which among other things, have federal and State restrictions that prohibit any residential housing on the Property; and

WHEREAS, the California Department of Transportation ("Caltrans") owns certain real property in fee consisting of 2.36 acres, located within the former Oakland Army Base adjacent to the Property, which is controlled by the City pursuant to that certain Easement granted by Caltrans to the City, as successor to the Oakland Base Reuse Authority, recorded in the Official Records on April 29, 2005 as Instrument No. 2005171016 (as amended, the "Caltrans Easement"), which permits the City to lease the Caltrans Easement for vehicular use in connection with development as more particularly described therein; and

WHEREAS, pursuant to Ordinance No. 13829 C.M.S., the portion of the Property located at 101 Admiral Robert Toney Way is currently leased by the City to Children's Hospital & Research Center at Oakland dba UCSF Benioff Children's Hospital Oakland (the "Helipad Lease") for short-term use as a helipad/helistop for transport of patients requiring emergency or trauma care during construction of a new hospital building to modernize its facilities in Oakland; and

WHEREAS, the City staff has determined that exploring longer term uses for the Property will not conflict with the Helipad Lease; and

WHEREAS, pursuant to Resolution No. 91000 C.M.S., adopted on December 16, 2025, the City Council found and determined on an independent basis that the Property is exempt surplus land under the Surplus Land Act, recognized the City may opt to waive the competitive process pursuant to Oakland Municipal Code ("OMC") Chapter 2.42, and authorized the City Administrator to negotiate the terms of an Exclusive Negotiation Agreement ("ENA") with Costco Wholesale Corporation, a Washington corporation ("Costco"), and Deca Companies, LLC, a Delaware limited liability company, for purposes of studying and evaluating the feasibility of, and negotiating terms and conditions for the potential development of a Costco facility on the Property; and

WHEREAS, the City and Costco have negotiated the terms of an ENA pursuant to Resolution No. 91000 C.M.S. as described in the Agenda Report for this item; and

WHEREAS, OMC Chapter 2.42, Article IV, provides a competitive notification process for the sale, lease, or disposition of real property for development, which requirements may be waived if the City Administrator determines that disposition by an alternative process is in the best interests of the City and the City Council makes findings in support of the waiver; and

WHEREAS, the City Administrator has determined that a waiver of the competitive process in order to enter into an ENA with Costco is in the best interests of the City given the significant and foreseeable jobs and fiscal benefits that a Costco store would provide to the City; and

WHEREAS, the City and Costco desire to enter an ENA to provide time to conduct due diligence and community outreach, develop a financing plan and obtain the entitlements and California Environmental Quality Act ("CEQA") review for a Costco development on the Property (the "Project") and to negotiate the terms of a Lease Disposition and Agreement ("LDDA"), ground lease ("Ground Lease"), and lease of the Caltrans Easement, for the lease disposition and development of the Property; now, therefore, be it

RESOLVED: Pursuant to OMC Section 2.42.170, the City Council hereby finds in support of the determination that the waiver of the competitive process is in the best interests of the City; and be it

RESOLVED: That the City Council hereby authorizes the City Administrator to negotiate and execute an ENA for a term and related performance deadlines for a twenty-four (24) month period for purposes of Costco's obtaining entitlements and negotiation of the terms of an LDDA, Ground Lease, and lease of the Caltrans Easement for the lease disposition and development of the Property, with an option to administratively extend such period for two additional six-month periods at the discretion of the City Administrator; and be it

FURTHER RESOLVED: That the City Council shall require an Exclusive Negotiation Payment in the amount of nonrefundable $300,000 for negotiating the ENA, and two additional Exclusive Negotiation Payments each in the amount of nonrefundable $25,000 if the City Administrator elects to extend the ENA period by each six-month period; and be it

FURTHER RESOLVED: That the City Council authorizes the City Administrator to accept and appropriate the nonrefundable Exclusive Negotiation Payments of $300,000, $25,000 and $25,000, respectively, into the OBRA Leasing & Utility Fund (5671), Oakland Army Base Redevelopment Organization (85244), OARB Bay Bridge Gateway Program (SC07), in a Project to be created or determined (TBD); and be it

FURTHER RESOLVED: That the City Administrator shall return to City Council for approval of any LDDA or Ground Lease of the Property; 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 period set forth in ENA, as extended, to proceed with disposition of its interest in the Property in compliance with CEQA; and be it

FURTHER RESOLVED: That the City Council finds and determines, after independent review and consideration, 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 CEQA Guidelines Section 15378; and be it

FURTHER RESOLVED: That the City Administrator is further authorized to negotiate and execute documents and take all other action necessary with respect to the ENA and the Project, consistent with this Resolution and its basic purposes, as shall be approved for form and legality by the City Attorney.

IN COUNCIL, OAKLAND, CALIFORNIA,

PASSED BY THE FOLLOWING VOTE: JUL 7 - 2026

AYES - BROWN, FIFE, GALLO, HOUSTON, RAMACHANDRAN, UNGER, WANG, AND PRESIDENT JENKINS - 8 Ayes

NOES – 0

ABSENT – 0

ABSTENTION – 0

Excused - 0

ATTEST: ______________________

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