

**REDEVELOPMENT AGENCY AND THE
CITY OF OAKLAND
SUPPLEMENTAL AGENDA REPORT**

OFFICE OF THE CITY CLERK
2007 MAR -1 PM 6:22

TO: Office of the Agency Administrator
ATTN: Deborah Edgerly
FROM: Community and Economic Development Agency
DATE: March 6, 2007

RE: **Supplemental Report on City Ordinance and Agency Resolution Authorizing the Agency Administrator to Enter Into a Twelfth Amendment to the Disposition and Development Agreement with Shorenstein Realty Investors Three, L.P., Regarding the City Center Project**

SUMMARY

On February 27, 2007, the Community and Economic Development Committee considered a City of Oakland ("City") ordinance and Redevelopment Agency ("Agency") resolution authorizing the Agency/City to enter into a Twelfth Amendment to the Disposition and Development Agreement ("DDA") with Shorenstein Realty Investors Three, L.P. ("SRI Three") regarding the City Center Project. At the hearing, members of the committee directed staff to report on the market value of the T-12 site and to negotiate adding the following terms to the DDA:

1. Require Shorenstein to design, build and operate a "Green Building".
2. Require Shorenstein to meet the goals of the City's local hiring and contracting programs.

KEY ISSUES

Disposition Price

The disposition price formula for the T-12 site was set in the Ninth Amendment to the DDA dated May 19, 2000. Through the Ninth Amendment, Shorenstein purchased an option that was pegged at market rate in consideration of the DDA restrictions that were imposed on the parcels. Shorenstein currently pays \$25,000 per year to retain the option to develop T-5/6 and T-12. The market value of the T-12 Block was determined to be \$60 per square foot -- this price was based on an analysis of the comparables included in an opinion of market value dated October 1999. The price was set during a volatile period in the market for office/commercial land due to the growth in the computer technology market associated with the "dot.com" expansion period. The disposition price formula factored in a fairly aggressive inflator at 5% per year compounded annually. Projected out the disposition price per square foot on December 31, 2007, the option deadline that is proposed in the Twelfth Amendment will be approximately \$84.43 per square foot (\$5,065,562).

Item: 14.2
ORA/City Council
March 6, 2007

Additionally, the value of the Jobs/Housing Impact Fee Shorenstein will be assessed if the T-12 site is developed as a high-rise office building is \$37.25 per square foot (\$2,236,000). The Jobs/Housing Impact Fee was passed in 2002 after the disposition price formula was set and is an additional expense that the Developer did not anticipate when the price was first set. Also in 2002, the City, the Agency and Developer agreed that in lieu of delivering an environmentally remediated site (including excavating the soil, shoring, dewatering and disposing of all soil), Developer would do all excavating, shoring, dewatering, etc. and the City and the Agency would only be responsible for paying for incremental cost associated with such work as a result of environmental contaminants, if any – effectively resulting in approximately \$1,000,000 additional net benefit to the City and the Agency. The benefits to the City are further augmented by the requirement of \$100,000 toward retail studies to be paid regardless of whether the option is actually exercised and the obligation to study a WTSC project included in the proposed 12th Amendment and the continued annual payments that Developer is required to make under the DDA and the other benefits that would be available to the City and the Agency as laid out in the Staff Report (including tax increment revenues and property tax increases).

Since 2000 the housing market has strengthened and as a result land values increased rapidly for a number of years. In April 2005, near the peak of the residential housing market, an appraisal of the T-12 Block was completed and the value of T-12 was determined to be \$135 per square foot. The April 2005 appraisal assumed that the site was going to be developed as a residential condominium project. Right now, there are no comparable land sales in downtown Oakland for office/commercial developments that have not received their entitlements, and the residential market which had been driving land values upwards has declined. As a result, the number of real estate transactions taking place has dropped. Therefore, it is difficult to assess the market value of the T-12 Block for office development based on a comparable sales method. As a result of the foregoing it is our conclusion that: The applicable measurement point of fair market value with the restrictions of the DDA is the time period when the price was set in 2000 and the fair market value with the restrictions of the DDA as of today, although unable to be determined by virtue of comparables, is fairly reasonably approximated by the 2000 value, as compounded. For purposes of comparison, if the escalator had been on the basis of the Bay Area CPI increases, the land price would be approximately \$4,168,993 (an average increase of 2.13% compounded annually).

Green Building

The Ninth Amendment to the DDA requires Shorenstein to use commercially reasonable efforts to incorporate sustainable or “Green Building” technologies in the design, construction and operation of any parcel developed pursuant to the DDA. Further the DDA requires that buildings developed by Shorenstein under the DDA achieve at least a “Bronze Level” rating under the Leadership in Energy and Environmental Design (“LEED”) Green Building Rating System. The LEED rating system has changed since the date of the Ninth Amendment. Now, the equivalent to a “Bronze Level” rating is considered LEED “Certified”. Shorenstein has agreed that any parcel developed under the DDA will, at a minimum, obtain a LEED “Certified” rating and will make best efforts to exceed this rating.

Item: _____
ORA/City Council
March 6, 2007

parcel developed under the DDA will, at a minimum, obtain a LEED “Certified” rating and will make best efforts to exceed this rating.

Local Hiring and Contracting:

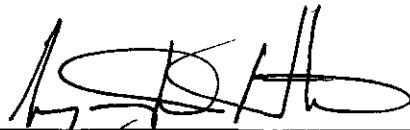
At the CED Committee meeting staff was requested to negotiate with Shorenstein regarding the City’s Local and Small Local Enterprise Program and Local Employment Program. Shorenstein has agreed to include in the DDA a requirement to use best efforts to meet the City’s Local Employment Program Goals and to recruit and offer employment to local residents and contracting opportunities to local businesses in accordance with the following:

- Pay all project workers the prevailing wage;
- Develop a program with contractors and subcontractors to arrange placement of graduates from the Cypress Mandela Center pre-apprenticeship program;
- Develop a workshop program to mentor local businesses through the competitive bid process, including what is expected, to ensure they are not overlooked due to the paperwork requirements;
- Work with the City to develop an outreach program (including advertising in appropriate publications working with existing organizations which serve the local and small business community) to identify and notify local businesses and encourage them to participate in the workshop program and competitive bid process; and
- Work with the City to identify local business employment programs.

RECOMMENDATION(S) AND RATIONALE

Staff recommends that the Agency and City Council authorize the Agency/City Administrator to enter into a Twelfth Amendment to the Disposition and Development Agreement with Shorenstein Realty Investors Three, L.P., with the following additional requirements: Shorenstein must obtain at least a LEED “Certified” rating for the remaining parcels developed under the DDA and will make best efforts to exceed this rating; and make best efforts to further the goals and policies of the City’s Local and Small Local Business Enterprise Program and Local Employment Program by employing special efforts to recruit and offer employment to local residents and contracting opportunities to local businesses.

Respectfully submitted,



Gregory Hunter
Interim Director of Redevelopment, Economic
Development, Housing and Community
Development

Reviewed by: Patrick Lane, Redevelopment Manager
Community and Economic Development Agency
Redevelopment Division

Prepared by: Bridget Galka, Urban Economic Analyst III
Community and Economic Development Agency
Redevelopment Division

APPROVED AND FORWARDED TO THE
CITY COUNCIL:


Office of the City/Agency Administrator

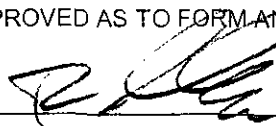
Item: 14.2
ORA/City Council
March 6, 2007

REVISED

OFFICE OF THE CITY CLERK
OAKLAND

2007 MAR -1 PM 6:22

APPROVED AS TO FORM AND LEGALITY:



City Attorney

OAKLAND CITY COUNCIL

ORDINANCE No. _____ C.M.S.

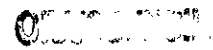
AN ORDINANCE AUTHORIZING THE CITY TO ENTER INTO A TWELFTH AMENDMENT TO THE DISPOSITION AND DEVELOPMENT AGREEMENT WITH SHORENSTEIN REALTY INVESTORS THREE, L.P., REGARDING THE CITY CENTER PROJECT: (1) EXTENDING THE OPTION TO PURCHASE BLOCK T-12 BY EIGHT MONTHS UNTIL DECEMBER 31, 2007; (2) REVISING PROVISIONS REGARDING WHEN THE PLANNED UNIT DEVELOPMENT AND GRADING PERMITS ARE REQUIRED; (3) DELETING THE OPTION TO DEVELOP A RESIDENTIAL PROJECT ON BLOCK T-12; (4) APPROVING THE ASSIGNMENT BY SRI, THREE OF ITS RIGHTS AND OBLIGATIONS TO SHORENSTEIN REALTY INVESTORS EIGHT, L.P.; (5) COMMITTING THE DEVELOPER TO CONTRIBUTE UP TO \$100,000 TO FUND AN EFFORT TO ATTRACT RETAIL TO DOWNTOWN OAKLAND; AND (6) COMMITTING THE DEVELOPER TO EXPLORE THE FEASIBILITY OF INCLUDING RETAIL IN ITS BLOCK T-12 AND T-5/6 COMMERCIAL DEVELOPMENTS AND A WORLD TRADE SHOWCASE CENTER PROJECT ON BLOCK T-5/6.

WHEREAS, the City of Oakland ("City"), the Redevelopment Agency of the City of Oakland ("Agency") and Shorenstein Realty Investors Three ("SRI Three") are parties to a Disposition and Development Agreement ("DDA") whereby SRI Three is the master developer of the twelve block area in the Central District Urban Renewal Area commonly referred to as the City Center Project; and

WHEREAS, the DDA, which sets forth the terms and conditions whereby SRI Three may purchase and develop the various parcels within the City Center Project, has been amended eleven times, most recently in 2005; and

WHEREAS, the parties to the DDA desire to further amend certain terms of the DDA including, among other things to, (1) extend the deadline to purchase Block T-12 (legal description for Block T-12 is attached as Exhibit A) by eight months until December 31, 2007; (2) revise provisions regarding when the Planned Unit Development ("PUD") and Grading Permits are

14.2



MAR 6 2007

required; (3) delete the option to develop a residential project on T-12; (4) approving the assignment by SRI Three of its rights and obligations to Shorenstein Realty Investors Eight, LP (“SRI Eight”); and (5) commit the developer to contribute up to \$100,000 to fund an effort to attract retail to Downtown Oakland and (6) to explore the feasibility of including retail in its T-12 and T-5/6 (legal description for Block T-5/6 is attached as Exhibit B) commercial developments and World Trade Showcase Center Project on Block T-5/6., all as more fully described in the agenda report for this matter; and

WHEREAS, the DDA requires SRI Three to develop Block T-12 using commercially reasonable efforts to incorporate green building technologies and to achieve certification of “Bronze Level” under the LEED Green Building Rating System, Pilot Version, January 1999, and SRI Three remains committed to develop Block T-12 using commercially reasonable efforts to incorporate green building technologies, however the referenced standards are now outdated and SRI Three agrees to obtain the current equivalent rating which is LEED “Certified”; and

WHEREAS, SRI Three has committed to the City to use good faith efforts to recruit and offer employment to local businesses and residents; and

WHEREAS, SRI Three has committed to the City to use good faith efforts to ensure that local businesses and residents are provided opportunities as subcontractors under the primary contractors; and

WHEREAS, the City currently owns Building Site T-12 and at the time SRI Eight exercises its purchase option pursuant to the DDA, the City will transfer T-12 to the Agency, whereupon the Agency will transfer the site to SRI Eight and Agency will pass through to the City the purchase amount received from SRI Eight; and

WHEREAS, an Environmental Impact Report (“EIR”) (certified by the Oakland Planning Commission on April 26, 2000), has been prepared for the City Center project as proposed by Shorenstein Realty Partners Three, L.P., and has been independently reviewed and considered by the Agency in evaluating the City Center project in compliance with CEQA, the Guidelines for Implementation of the California Environmental Quality Act (14 CCR Sections 15000, et seq., the “State EIR Guidelines”), and the City’s Environmental Review Regulations; and

WHEREAS, the City of Oakland is a Responsible Agency for this Project for purposes of environmental review under the California Environmental Quality Act of 1970 (“CEQA”); and

WHEREAS, the Planning Commission and the City determined that the EIR examined a reasonable range of alternatives, and that each alternative was rejected as infeasible for various reasons; and

WHEREAS, the Planning Commission and the City found and determined that all adverse environmental effects of the City Center project, with the exception of (1) increase in traffic delays in the downtown, (2) cumulative contribution to regional air pollutant problems, (3) cumulative noise impacts, and (4) exceedances of the 36-mph “wind hazard” speed could occur, would be less

than significant or reduced to less-than-significant levels after implementation of the mitigation measures identified in the EIR and the mitigation monitoring program; and

WHEREAS, the Planning Commission and the City found and determined that the benefits of the City Center project outweigh any unavoidable adverse impact of the Project; and

WHEREAS, the Planning Commission and City both approved the Project and a Notice of Determination was subsequently filed; and

WHEREAS, Addendum #1 to the EIR, was prepared for increases in residential density and the elimination of office use for Block T-10 in October 2003, which was independently reviewed and considered by the Agency, and which concluded that none of the changes to the T-10 Project or circumstances under which it will be undertaken require preparation of a subsequent or supplemental EIR, as specified in CEQA and the CEQA Guidelines, including without limitation, Public Resources Code Section 21166 and CEQA Guidelines Sections 15162 and 15163; and

WHEREAS, both the Planning Commission and City both approved the Block T-10 revisions to the Project and a Notice of Determination was subsequently filed; and

WHEREAS, a June 2005 Addendum #2 to the EIR was prepared that considered an office tower as currently proposed as well as a residential land use option on Block T-12 which has been independently reviewed and considered by the Agency for applicability to the proposed Project, and which has concluded that none of the changes to the T-12 Project or circumstances under which it will be undertaken require preparation of a subsequent or supplemental EIR, as specified in CEQA and the CEQA Guidelines, including without limitation, Public Resources Code Section 21166 and CEQA Guidelines Sections 15162 and 15163; and

WHEREAS, as required by Health and Safety Code Section 33431, notice of the public hearing regarding the Twelfth Amendment to the DDA was given by publication at least once a week for not less than two weeks prior to the public hearing in a newspaper of general circulation in Alameda County; and

WHEREAS, the City has made available to the public for inspection, no later than the first date of publication of the notice for the hearing, a copy of the proposed Twelfth Amendment to the DDA; and

WHEREAS, the City has determined that the disposition price for T-12 and T-5/6 are at or in excess of the market value of the sites based on the terms, conditions and restrictions set out in the DDA; and

WHEREAS, the City has approved the execution of the Twelfth Amendment to the DDA and the terms of the disposition of Building Sites T-12 and T-5/6 by ordinance after a public hearing; now, therefore

THE COUNCIL OF THE CITY OF OAKLAND DOES ORDAIN AS FOLLOWS:

Section 1. The City hereby finds and determines: (1) that it has been presented and has independently reviewed and considered the information contained in the previously certified EIR and Addendum #2, and the EIR and Addendum #2 comply with CEQA and the CEQA Guidelines' requirements for analysis of the Project's environmental effects and mitigation measures; (2) that the mitigation measures adopted by the Agency in considering the EIR and approving the DDA, together with a mitigation monitoring program for the Project, are hereby adopted as specified in the attached Exhibit C; and (3) that none of the changes to the project, or circumstances under which it will be undertaken, or new information of substantial importance require preparation of a subsequent or supplemental EIR.

Section 2. That the City Council hereby directs the City Administrator to effect changes to the DDA to reflect SRI Three's commitment to use commercially reasonable efforts to develop Block T-12 and to at a minimum obtain a LEED "Certified" rating for the remaining parcels developed under the DDA.

Section 3. That the City Council hereby directs the City Administrator to effect changes to the DDA, in furtherance of the goals and policies of the City as contained in the City's Local and Small Local Enterprise Program and Local Employment Program, consistent with the intent and purpose of encouraging SRI Three to use good faith efforts to recruit and offer employment to and opportunities for contractors and subcontractors under primary contractors to local businesses and residents in accordance with the following:

- Recruitment and hiring of all Project workers at prevailing wage;
- Development of a program with contractors and subcontractors to arrange placement of graduates from the Cypress Mandela Center pre-apprenticeship program;
- Development of a workshop program to mentor local businesses through the competitive bid process including what is expected to ensure they are not overlooked due to the paperwork requirements;
- Work with the City to develop an outreach program (including advertising in appropriate publications working with existing organizations which serve the local and small business community) to identify and notify local businesses and encourage them to participate in the workshop program and competitive bid process; and
- Work with the City to identify local business employment programs.

Section 4. The City hereby authorizes the City Administrator or her designee to negotiate and execute a Twelfth Amendment to the DDA with Shorenstein as set forth hereinabove and to take any other action with respect thereto consistent with this ordinance and its basic purpose.

Section 5. The City hereby authorizes the sale of Development Site T-12 from the City to the Agency to facilitate the sale of Development Site T-12 from the Agency to SRI Eight pursuant to the DDA terms.

Section 6. The City hereby authorizes the City Administrator or her designee to approve the transfer of the DDA to SRI Eight subject to SRI Eight providing documentation to the City Administrator that it has sufficient investment or control by Shorenstein related entities or individuals as required by Section 2.04(a) of the Ninth Amendment to the DDA.

Section 7. That any and all documents necessary to effectuate the intent of this ordinance shall be reviewed and approved as to form by the Agency Counsel prior to execution by the City Administrator or her designee.

Section 8. That the custodians and locations of the documents or other materials which constitute the record of proceedings upon which the Agency's decision is based are respectively: (a) the Community and Economic Development Agency, Redevelopment Division, 250 Frank H. Ogawa Plaza, 5th Floor, Oakland; (b) the Community and Economic Development Agency, Planning Division, 250 Frank H. Ogawa Plaza, 3rd Floor, Oakland; and (c) the Office of the City Clerk, 1 Frank H. Ogawa Plaza, 1st Floor, Oakland.

IN COUNCIL, OAKLAND, CALIFORNIA, _____, 2007

PASSED BY THE FOLLOWING VOTE:

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

NOES-

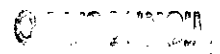
ABSENT-

ABSTENTION-

ATTEST: _____

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

14.2



MAR 6 2007

Exhibit A

Legal Description of Block T-12

LEGAL DESCRIPTION

Real Property in the City of Oakland, County of Alameda, State of California, described as follows:

Lots 1 to 28 inclusive, Block 155 Kellersberger's Map of Oakland, filed in Book 7 of Maps, Page 3, Records of Alameda County.

APN: 002-0027-007

14.2

CITY OF OAKLAND

MAR 6 2007

Exhibit B

Legal Description for Block T-5/6 (combined)

LEGAL DESCRIPTION

Real property in the City of Oakland, County of Alameda, State of California, described as follows:

Parcel PP, as shown on the Parcel Map 5533, filed November 17, 1988 in Book 180 of Parcel Maps, Page 44, Alameda County Records.

EXCEPTING THEREFROM that portion conveyed to the City of Oakland in the Grant Deed executed by the Redevelopment Agency of the City of Oakland recorded March 30, 1976, Series No. 76-47723, Official Records.

APN: 002-0097-038, 002-0097-040, 002-0097-039

EXHIBIT C

MITIGATION MONITORING PROGRAM – BLOCK T-12

**MITIGATION MEASURES AND MONITORING PROGRAM
CASE FILE NO. PUD 05185**

CITY CENTER PROJECT – EIR ADDENDUM #2

(Changes from 2000 Revised and Amended)

***APPLICABLE 2000 FEIR MITIGATION MEASURES – TRAFFIC, CIRCULATION
AND PARKING (AMENDED AND RESTATED)***

Impact B.1: The project would result in increases in traffic delay in the downtown. In particular, the project would result in a deteriorated level of service at the intersection of 12th and Brush Streets in the a.m. peak hour. This would be a significant impact.

Mitigation Measure B.1a: AT-12th and Brush Streets, the Block T12 project sponsor (if Option 2 is selected), along with the developer of Block T5/6 (Shorenstein or its successor) shall work with Caltrans and coordinate with the City to consider various improvement options, which could include signal timing improvements or additional lanes on the ramp. The developer shall fund its fair share of any required improvements. Because implementation of this measure requires consultation with Caltrans, the City cannot ensure that the mitigation measure could be implemented and the anticipated impact is therefore considered to be significant and unavoidable.

Responsible Implementing Entity: Oakland Public Works Agency, Traffic Engineering Division; Caltrans

Monitoring Action(s): Public Works Agency, Traffic Engineering Division to work with Caltrans to determine analyze feasible improvement options and determine project share of cost.

Monitoring Responsibility: CEDA, Planning Division; Public Works Agency, Traffic Engineering Division

Monitoring Timeframe: Prior to issuance of certificate of occupancy for last building.

Impact B.4: The project could result in a parking deficit of approximately 430 off-street parking spaces at project buildout. This would be a significant impact.

Mitigation Measure B.4: The Block T12 project sponsor, along with the developer of Block T5/6 (Shorenstein or its successor) shall submit a transportation/parking study, subject to the review and approval of the City Traffic Engineering Division of the Public Works Agency and the Planning Division of the Community and Economic Development Agency, that evaluates then-current and forecast parking supply and demand for each subsequent project phase, prior to the final PUD approval of those phases. The study shall also determine the degree, if any, of the expected shortfall in transit capacity that could result from a shift away from auto travel and to transit use. Implementation of Mitigation Measure B.4 would ensure that development and occupancy of Blocks T12 and T5/6 would not adversely affect parking in the project vicinity.

If a parking shortfall is anticipated, the developer shall implement means of reducing parking demand and, to the extent deemed necessary, of increasing off-street parking supply in the City Center area through a variety of methods, which may include one or more of the following measures, as deemed appropriate by the City:

- The developer shall work with the Redevelopment Agency to construct (or provide in-lieu fees for City construction of) some portion of the shortfall of approximately 430 parking spaces that the project would generate;
- If office space were to be constructed on Block T12 or Block T5/6, the developer shall incorporate the use of valet parking in commercial parking garage(s) within buildings owned by the developer, including the City Center Garage. (Residential valet parking typically is less feasible than valet operation in commercial garages due to longer-term residential demand.) Valet operations typically increase garage capacity by between 30 percent and 50 percent, and these steps could accommodate nearly all of the project's calculated commercial parking shortfall;
- If office space were to be constructed on Block T12 or Block T5/6, the developer shall require employers to institute flexible work hours or telecommuting;
- The developer shall construct additional on-site parking for the affected subsequent phase(s) of the project;
- The developer shall work with the City to expand the existing City Center West garage;
- The developer shall connect the underground parking areas on two or more of the project's building sites;
- The developer and/or the City shall use one of the four building sites for above-ground (structure) parking;
- The developer shall participate in a potential future parking assessment district that may be created for an area including the project site; and/or
- The City shall require that the developer pay a development impact fee to offset the cost of providing additional parking in the City Center area.

In addition, parking demand could be reduced through steps to reduce use of single-occupancy vehicles. (These same steps would also reduce traffic and lessen emissions of criteria air pollutants.) Among the possibilities the applicant could undertake are:

- If office space were to be constructed on Block T12 or Block T5/6, the developer shall implement a carpool/vanpool program (e.g. carpool ridesharing for employees, assistance with vanpool formation, provision of vanpool vehicles, etc.) and distribute information to employees on transit and carpooling options (maps, schedules, information from Bay Area RIDES). This could be done at a lobby kiosk or other location where employees are likely to congregate;
- In coordination with AC Transit and City staff, the developer shall construct transit facilities such as bus turnouts/bus bulbs, benches, and shelters along the road segments that define the development blocks, or on other comparable nearby roadway segments that may be identified by AC Transit and City staff as the most appropriate location(s) to locate such facilities to most effectively serve the project;
- The developer shall establish a "transit store" to provide transit information and sell transit passes and tickets, as well as distribute transit maps and schedules. This "store" could be incorporated into a convenience store that might exist within the project;
- The developer shall provide preferential parking (e.g., near building entrance) and reduced/eliminated parking fees in project garages, the City Center Garage, and City Center West

Garage for carpool and vanpool vehicles. If a waiting list for monthly parking develops assign priority in issuing new permits to carpools and vanpools;

- If office space were to be constructed on Block T12 or Block T5/6, the developer shall require employers to subsidize transit passes (such as through the Metropolitan Transportation Commission's "Commuter Check" program) and/or direct provision by the office developer of such transit pass subsidies; and
- The developer shall provide secure, weather-protected long-term bicycle parking for future residents and employees at the proposed retail and office uses, secure short-term bicycle parking for retail customers, and showers and lockers for employees bicycling or walking to work.

Responsible Implementing Entity: Oakland Public Works Agency, Traffic Engineering Division

Monitoring Action(s): Public Works Agency, Traffic Engineering Division to work with Caltrans to determine analyze feasible improvement options and determine project share of cost.

Monitoring Responsibility: CEDA, Planning Division; Public Works Agency, Traffic Engineering Division

Monitoring Timeframe: Prior to Final PUD approval for each subsequent phase after Block T12.

Impact B.5: Project ridership on AC Transit could be accommodated. Project ridership on BART could be accommodated on the trains, but is likely to exceed the capacity of the 12th Street station at project buildout. This would be a significant impact.

Mitigation Measure B.5: For the final phase of the project construction following Block T12 (Block T5/6), the developer of Block T5/6 (Shorenstein or its successor), if the Block T5/6 building includes office space, shall conduct a study, subject to the review and approval of the City Traffic Engineering Division, to determine whether there is adequate exiting capacity at the 12th Street station. The Block T5/6 developer shall work with BART to assure that with buildout of the project (all four buildings), adequate exit fare gates are available at the 11th Street exits in the a.m. peak hour so that the maximum passenger wait does not exceed two minutes to be processed through the fare gates. This may require the addition of one or more new fare gates at the 11th Street exit to the station. Implementation of this measure would reduce the anticipated impact to less-than-significant levels.

Responsible Implementing Entity: Planning Division; Oakland Public Works Agency, Traffic Engineering Division; BART

Monitoring Action(s): Public Works Agency, Traffic Engineering Division shall review project sponsor's transportation study prior to submittal to BART and shall participate, as necessary, in discussions with BART and project sponsor.

Monitoring Responsibility: CEDA, Planning Division; Public Works Agency, Traffic Engineering Division

Monitoring Timeframe: Prior to Final PUD approval for each subsequent phase after Block T12.

Impact B.6: The project is likely to increase the demand for bicycle parking in the City Center area, and may be inconsistent with the suggested bicycle parking space recommendations indicated in the Oakland Bicycle Master Plan. This would be a significant impact.

Mitigation Measure B.6: The project shall provide an adequate number of bicycle parking spaces, as determined by the City, in location(s) either on-site or within a three-block radius, or through payment of appropriate in-lieu fees. Implementation of this measure would reduce the anticipated impact to less-than-significant levels.

Responsible Implementing Entity: Planning Division; Oakland Public Works Agency, Traffic Engineering Division; BART

Monitoring Action(s): Planning Division and Public Works Agency, Traffic Engineering Division shall review project's proposed bicycle parking plan.

Monitoring Responsibility: CEDA, Planning Division; Public Works Agency, Traffic Engineering Division

Monitoring Timeframe: Prior to Final PUD approval for each subsequent phase after Block T12.

Impact B.7: Project construction could result in temporary circulation impacts in the project vicinity. This would be a significant impact.

Mitigation Measure B.7: Prior to the start of excavation or construction on all project blocks, the project sponsors would submit to the City Traffic Engineering Division for review and approval a plan for managing construction-period traffic and parking. This plan would include information on routing of construction traffic, deliveries of large items, provision of off-street parking for construction workers, use of on-street parking spaces, off-street equipment staging, and any encroachment into public streets that would affect traffic flow, public parking, or pedestrian access and safety. Implementation of this measure would reduce the anticipated impact to less-than-significant levels.

Responsible Implementing Entity: Planning Division; Oakland Public Works Agency, Traffic Engineering Division

Monitoring Action(s): Public Works Agency, Traffic Engineering Division shall review project sponsor's construction-period traffic and parking plan.

Monitoring Responsibility: CEDA, Planning Division; Public Works Agency, Traffic Engineering Division

Monitoring Timeframe: Prior to issuance of building permits for each building.

APPLICABLE 2000 FEIR MITIGATION MEASURES – air quality (RESTATED)

Impact C.1: Fugitive dust generated by construction activities would be substantial and would increase PM-10 concentrations in the immediate project vicinity. This would be a significant impact.

Mitigation Measure C.1: The project sponsors (*Shorenstein, or its successor, as applicable*) shall require the construction contractor to implement a dust abatement program.

Elements of this program shall include the following:

- Water all active construction areas at least twice daily;
- Cover all trucks hauling soil, sand, and other loose materials or require all trucks to maintain at least two feet of freeboard (i.e., the minimum required space between the top of the load and the top of the trailer);
- Pave, apply water three times daily, or apply (non-toxic) soil stabilizers on all unpaved access roads, parking areas and staging areas at construction sites;
- Sweep daily (with water sweepers) all paved access roads, parking areas and staging areas at construction sites;

- Sweep streets daily (with water sweepers) if visible soil material is carried onto adjacent public streets; and
- Designate a person or persons to oversee the implementation of a comprehensive dust control program and to increase watering, as necessary.

The above list of measures are recommended by BAAQMD as feasible control measures to reduce construction dust emissions at sites, such as the individual development blocks associated with the project, which are less than four acres in area. With implementation of these mitigation measures, the residual effect would be less than significant.

In addition, the following measures, which are identified in the EIR on the *Oakland General Plan Land Use and Transportation Element* (City of Oakland, 1997; p. III.E-26) for future development projects, are recommended to minimize construction equipment emissions during the construction period:

- Demonstrate compliance with BAAQMD Regulation 2, Rule 1 (General Requirements) for all portable construction equipment subject to that rule. BAAQMD Regulation 2, Rule 1 requires an *authority to construct and permit to operate certain types of portable equipment used for construction purposes* (e.g., gasoline or diesel-powered engines used in conjunction with power generation, pumps, compressors, and cranes) unless such equipment complies with all applicable requirements of the “CAPCOA Portable Equipment Registration Rule” or with all applicable requirements of the Statewide Portable Equipment Registration Program. This exemption is provided in BAAQMD Rule 2-1-105.
- Perform low- NO_x tune-ups on all diesel-powered construction equipment greater than 50 horsepower (no more than 30 days prior to the start of use of that equipment). Periodic tune-ups (every 90 days) should be performed for such equipment used continuously during the construction period.

Implementation of these measures would reduce the anticipated impact to less-than-significant levels.

Responsible Implementing Entity: Oakland Community and Economic Development Agency (CEDA), Building Services Division

Monitoring Action(s): CEDA, Building Services Division shall conduct spot-checks as deemed necessary throughout construction period.

Monitoring Responsibility: CEDA, Building Services Division

Monitoring Timeframe: Throughout the construction period.

Impact C.2: The project would result in an increase in criteria pollutant emissions due to related motor vehicle trips and on-site area emissions sources. This would be a significant impact.

Mitigation Measure C.2a: Throughout operation of the project, the office developer (Shorenstein or its successor) shall implement Transportation Control Measures identified in the *General Plan Land Use and Transportation Element EIR*.

The following Transportation Control Measures shall be implemented to increase the likelihood that the assumed level of use of alternative travel modes (i.e., transit and carpool) that has been incorporated into the impact analysis would be exceeded in practice and, furthermore, to reduce estimated vehicle-related NO_x emissions by four percent, which would reduce the impact to less than significant (i.e., to less than

80 pounds per day). (For each measure, the estimated effectiveness in reducing vehicle trips is given in parentheses.)

- Implement a carpool/vanpool program (e.g. carpool ridesharing for employees, assistance with vanpool formation, provision of vanpool vehicles, etc.) (effectiveness 1.0 to 4.0 percent of work trips);
- In coordination with AC Transit and City staff, construct transit facilities such as bus turnouts/bus bulbs, benches, and shelters along the road segments that define the development blocks (effectiveness 0.5 to 2.0 percent of all trips);
- Provide preferential parking (e.g., near building entrance) and reduced/eliminated parking fees in the City Center Garage and City Center West Garage for carpool and vanpool vehicles (effectiveness 0.5 to 1.5 percent of work trips for preferential location; 2 percent or more of work trips for reduced parking fees);
- Provide employer subsidy of transit passes (such as through the Metropolitan Transportation Commission's "Commuter Check" program);
- Provide secure, weather-protected long-term bicycle parking for future residents and employees at the proposed retail and office uses (effectiveness 0.5 to 2.0 percent of work trips);
- Provide showers and lockers for employees bicycling or walking to work at the proposed retail and office uses (effectiveness 0.5 to 2.0 percent of work trips); and
- Provide secure short-term bicycle parking for future retail customers (effectiveness 1.5 to 2.0 percent of non-work trips).

Implementation of these measures would reduce the anticipated impact to less-than-significant levels.

Responsible Implementing Entity: Oakland Community and Economic Development Agency (CEDA), Planning Division and Building Services Division

Monitoring Action(s): For physical improvements, CEDA Planning Division shall review and approve project plans to ensure required improvements are included; Building Services Division shall verify construction of required improvements during field inspection. For ongoing programs during building operation, Planning Division, Building Services Division, and/or Oakland Public Works Agency, Traffic Engineering Division shall monitor on a complaints-received basis.

Monitoring Responsibility: CEDA, Planning Division and Building Services Division; Oakland Public Works Agency, Traffic Engineering Division

Monitoring Timeframe: Implementation will occur throughout operation of subsequent office buildings based on transportation plans to be submitted by the office developer prior to the issuance of an occupancy permit for the T12 and T5/6 buildings.

Mitigation Measure C.2b: The office developer (Shorenstein or its successor) shall implement Mitigation Measure B.5 (improvements to BART-12th Street Station exit gates) to facilitate use of BART by project workers.

Implementation of these measures would reduce the anticipated impact to less-than-significant levels.

Responsible Implementing Entity: Planning Division; Oakland Public Works Agency, Traffic Engineering Division; BART

Monitoring Action(s): Public Works Agency, Traffic Engineering Division shall review project sponsor's transportation study prior to submittal to BART and shall participate, as necessary, in discussions with BART and project sponsor.

Monitoring Responsibility: CEDA, Planning Division; Public Works Agency, Traffic Engineering Division

Monitoring Timeframe: Prior to Final PUD approval for each subsequent phase after Block T12.

APPLICABLE 2000 FEIR MITIGATION MEASURES – noise (AMENDED AND RESTATED)

Impact D.1: Construction activities would intermittently and temporarily generate noise levels above existing ambient levels in the project vicinity. This would be a significant impact.

Mitigation Measure D.1a: The project sponsor shall require construction contractors to limit standard construction activities as required by the City Building Department. Such activities are generally limited to between 7:00 a.m. and 7:00 p.m. Monday through Friday, with pile driving and/or other extreme noise generating activities greater than 90 dBA limited to between 8:00 a.m. and 4:00 p.m. Monday through Friday, with no extreme noise generating activity permitted between 12:30 p.m. and 1:30 p.m. No construction activities shall be allowed on weekends until after the building is enclosed, without prior authorization of the Building Services Division, and no extreme noise generating activities shall be allowed on weekends and holidays.

Responsible Implementing Entity: Project Sponsor; Oakland Community and Economic Development Agency (CEDA), Building Services Division

Monitoring Action(s): Project sponsor shall prepare and submit for review and approval a site-specific construction noise control plan.

Monitoring Responsibility: CEDA, Building Services Division

Monitoring Timeframe: Review and approve noise control plan prior to the issuance of demolition, grading, excavation, or building permits. Monitor and respond to noise complaints throughout construction period.

Mitigation Measure D.1b: To reduce daytime noise impacts due to construction, the project sponsor shall require construction contractors to implement the following measures:

- Equipment and trucks used for project construction shall utilize the best available noise control techniques (e.g., improved mufflers, equipment redesign, use of intake silencers, ducts, engine enclosures and acoustically-attenuating shields or shrouds, wherever feasible and necessary);
- Impact tools (e.g., jack hammers, pavement breakers, and rock drills) used for project construction shall be hydraulically or electrically powered wherever possible to avoid noise associated with compressed air exhaust from pneumatically powered tools. However, where use of pneumatic tools is unavoidable, an exhaust muffler on the compressed air exhaust shall be used; this muffler can lower noise levels from the exhaust by up to about 10 dB. External jackets on the tools themselves shall be used where feasible, and this could achieve a reduction of 5 dB. Quieter procedures shall be used such as drilling rather than impact equipment whenever feasible; and
- Stationary noise sources shall be located as far from sensitive receptors as possible. If they must be located near existing receptors, they shall be muffled to the extent feasible and enclosed within temporary sheds.

- If feasible, the noisiest phases of construction (such as pile driving) shall be limited to less than 10 days at a time to comply with the local noise ordinance.

Responsible Implementing Entity: Project Sponsor; Oakland Community and Economic Development Agency (CEDA), Building Services Division

Monitoring Action(s): Project sponsor shall prepare and submit for review and approval a site-specific construction noise control plan.

Monitoring Responsibility: CEDA, Building Services Division

Monitoring Timeframe: Review and approve noise control plan prior to the issuance of demolition, grading, excavation, or building permits. Monitor and respond to noise complaints throughout construction period.

Mitigation Measure D.1c: To further mitigate potential other extreme noise generating construction impacts, a set of site-specific noise attenuation measures shall be completed under the supervision of a qualified acoustical consultant. Prior to commencing construction, a plan for such measures shall be submitted for review and approval by the City to ensure that maximum feasible noise attenuation will be achieved. These attenuation measures shall include as many of the following control strategies as feasible:

- Erect temporary plywood noise barriers around the construction site, particularly along the eastern boundary along 14th Street to shield the adjacent multi-family residential buildings;
- Implement “quiet” pile driving technology (such as pre-drilling of piles, the use of more than one pile driver to shorten the total pile driving duration), where feasible, in consideration of geotechnical and structural requirements and conditions;
- Utilize noise control blankets on the building structure as the building is erected to reduce noise emission from the site;
- Evaluate the feasibility of noise control at the receivers by temporarily improving the noise reduction capability of adjacent buildings; and
- Monitor the effectiveness of noise attenuation measures by taking noise measurements.

Responsible Implementing Entity: Project Sponsor; Oakland Community and Economic Development Agency (CEDA), Building Services Division

Monitoring Action(s): Project sponsor shall prepare and submit for review and approval a site-specific construction noise control plan.

Monitoring Responsibility: CEDA, Building Services Division

Monitoring Timeframe: Review and approve noise control plan prior to the issuance of demolition, grading, excavation, or building permits. Monitor and respond to noise complaints throughout construction period.

Mitigation Measure D.1d: Prior to the issuance of each building permit, along with the submission of construction documents, the project sponsor shall submit to the City Building Department a list of measures to respond to and track complaints pertaining to construction noise. These measures shall include:

- A procedure for notifying the City Building Division staff and Oakland Police Department;
- A plan for posting signs on-site pertaining to permitted construction days and hours and complaint procedures and who to notify in the event of a problem;

- A listing of telephone numbers (during regular construction hours and off-hours);
- The designation of an on-site construction complaint manager for the project;
- Notification of neighbors within 300 feet of the project construction area at least 30 days in advance of pile-driving activities about the estimated duration of the activity; and
- A preconstruction meeting shall be held with the job inspectors and the general contractor/on-site project manager to confirm that noise mitigation and practices (including construction hours, neighborhood notification, posted signs, etc.) are completed.

Responsible Implementing Entity: Project Sponsor; Oakland Community and Economic Development Agency (CEDA), Building Services Division

Monitoring Action(s): Project sponsor shall prepare and submit for review and approval a site-specific construction noise control plan.

Monitoring Responsibility: CEDA, Building Services Division

Monitoring Timeframe: Review and approve noise control plan prior to the issuance of demolition, grading, excavation, or building permits. Monitor and respond to noise complaints throughout construction period.

Implementation of Mitigation Measure D.1a through D.1d would reduce construction noise impacts to a less-than-significant level.

APPLICABLE 2000 FEIR MITIGATION MEASURES – shadow and wind (RESTATED)

Impact F.2: The project could result in exceedances of the 36-mph “wind hazard” speed. This would be a significant impact.

Mitigation Measure F.2: The City shall require the project sponsors (Shorenstein, or its successor, as applicable) to incorporate, to the maximum extent feasible, specific design elements in the final siting and designs for the high rises that would reduce ground-level winds within the Downtown Showcase District.

Recommended modifications to the building masses as tested [i.e., 425-foot towers tested for the 1997 General Plan Land Use and Transportation Element EIR] to reduce winds would include some of the design features already included in the project, such as:

- placing the buildings back from the sidewalk, which would likely reduce winds at the sidewalk itself;
- the introduction of curved facades, which could reduce the tendency of the project structures to intercept upper-level winds and direct them down to ground level; and
- placing the tower atop a lower podium level, which would serve to interrupt winds traveling down the tower before they reach ground level.

In addition, the use of facade articulation, to break up winds along the building face, and horizontally projecting wind screens, to disturb the downward flow of wind, could further serve to reduce ground-level winds.

This anticipated impact may remain significant even after implementation of these measures. Consistent with the 2000 FEIR, a condition of approval shall be incorporated into the Modified Project requiring further wind-tunnel testing for any project that includes development in excess of 100 feet in height, in order to reduce wind impacts to the maximum extent feasible, although it is possible that the impact would not be reduced to a less-than-significant level.

Responsible Implementing Entity: Oakland Community and Economic Development Agency (CEDA), Planning Division

Monitoring Action(s): For Block T12, if Option 2 (i.e., a building in excess of 100 feet tall) is selected, Planning Division shall require wind-tunnel testing. For subsequent phases of the City Center Project, Planning Division shall similarly require wind-tunnel testing for buildings taller than 100 feet, unless a qualified wind expert determines no testing is required.

Monitoring Responsibility: CEDA, Planning Division

Monitoring Timeframe: Prior to approval of Final PUD for each phase of the City Center Project.

MITIGATION FOR ISSUES ANALYZED IN THE INITIAL STUDY

Geology and Soils (Restated)

- Construction operations, especially excavation and grading operations, shall be confined as much as possible to the dry season, in order to avoid erosion of disturbed soils; and
- Final project landscaping plans shall be submitted to the Planning Director for review and approval.

Responsible Implementing Entity: Oakland Community and Economic Development Agency (CEDA), Planning and Building Services Divisions

Monitoring Action(s): CEDA, Planning Division shall review and approved landscaping plans; Building Services Division shall conduct spot-checks as deemed necessary throughout construction period.

Monitoring Responsibility: CEDA, Building Services Division

Monitoring Timeframe: Throughout construction period.

Implementation of the above mitigation measures would reduce impacts to less-than-significant levels.

Hydrology and Water Quality (Amended and Restated)

- The applicant shall be required to pay fees to compensate the City for the cost of any system upgrades required to accommodate increased runoff from the proposed project; and
- The applicant shall be required to grade unpaved areas to control surface drainage and redirect surface water away from areas of activity during excavation and construction; and
- The project applicant shall be required to comply with the Alameda Countywide Clean Water Program NPDES permit, and would implement appropriate source control and site design measures, and design and implement stormwater treatment measures to reduce stormwater pollution to the maximum extent practicable.

Responsible Implementing Entity: Oakland Community and Economic Development Agency (CEDA), Building Services Division; Oakland Public Works Agency

Monitoring Action(s): CEDA, Building Services Division shall conduct spot-checks as deemed necessary throughout construction period.

Monitoring Responsibility: CEDA, Building Services Division

Monitoring Timeframe: Throughout construction period.

Implementation of the above mitigation measures would reduce impacts to less-than-significant levels.

Cultural Resources (Amended and Restated)

- An archival cultural resource evaluation shall be implemented prior to the start of construction or other ground-disturbing activities to identify whether historic or unique archaeological resources exist within the project site. The archival cultural resource evaluation, or "sensitivity study," shall be conducted by a cultural resource professional approved by the City who meets the Secretary of the Interior's Professional Qualifications Standards for Prehistoric and Historical Archaeology.

The purpose of the archival cultural resource evaluation is to: (1) identify documentation and studies to determine the presence and location of potentially significant archaeological deposits; (2) determine if such deposits meet the definition of a historical resource under CEQA Guidelines Section 15064.5 or a unique archaeological resource under CEQA Section 21083.2(g); (3) guide additional archaeological work, potentially including pre-construction subsurface archaeological investigation if warranted, to recover the information potential of such deposits; and (4) define an archaeological monitoring plan, if warranted. If excavation is the only feasible means of data recovery, such excavation shall be in accord with the provisions of CEQA Guidelines Section 15126.4(b)(3)(C). Any additional archaeological work and or monitoring shall be pursuant to a plan approved by the City. If a pre-constructing testing program is deemed necessary by the qualified professional as a result of the archival study, it shall be guided by the archival study and shall use a combination of subsurface investigation methods (including backhoe trenching, augering, and archaeological excavation units, as appropriate).

Representatives of established local Chinese-American organizations (including the Chinese Historical Society of America and the Oakland Asian Cultural Center) shall be invited to participate in a focused community review of the archival cultural resource evaluation prior to any subsequent recovery of potential resources or prior to the start of construction, whichever is earlier. The City shall consider the community comments in its review and approval of any plan for additional archaeological work or monitoring.

Should an archaeological artifact be discovered on-site during project construction, all activities within a 50-foot radius would be halted until the findings can be fully investigated by a qualified archaeologist to evaluate the find and assess the significance of the find according to the CEQA definition of a historical or unique archaeological resource. If the deposit is determined to be significant, the project sponsor and the qualified archaeologist shall meet to determine the appropriate avoidance measures or other appropriate mitigation, subject to approval by the City of Oakland, which shall assure implementation of appropriate mitigation measures recommended by the archaeologist. Should archaeologically significant materials be recovered, the qualified archaeologist would recommend appropriate analysis and treatment, and would prepare a report on the findings for submittal to the Northwest Information Center.

If historic or unique archaeological resources associated with the Chinese community are identified within the project site and are further determined to be unique, the City shall consult with representatives of an established local Chinese-American organization(s) regarding the potential use of the archaeological findings for interpretive purposes.

Responsible Implementing Entity: Project Sponsor; Oakland Community and Economic Development Agency (CEDA), Planning Division

Monitoring Action(s): Project sponsor shall prepare and submit to Planning Division for review and approval an archival cultural resource evaluation. Project sponsor shall contact qualified archaeologist in the event that artifacts are discovered during construction. Archaeologist shall consult with Planning Division and with representatives of local Chinese-American community regarding any such discovery and shall undertake data recovery as warranted based on the nature of the discovery.

Monitoring Responsibility: CEDA, Planning Division

Monitoring Timeframe: Review and accept archival cultural resource evaluation prior to the start of any ground-disturbing activities. Direct data recovery, as applicable, in the event that artifacts are discovered during the construction period.

- In the event that human skeletal remains are uncovered at the project site during construction or ground-breaking activities, all work shall immediately halt and the Alameda County Coroner shall be contacted to evaluate the remains, and follow the procedures and protocols pursuant to Section 15064.5 (e)(1) of the CEQA Guidelines. If the County Coroner determines that the remains are Native American, the City shall contact the California Native American Heritage Commission (NAHC), pursuant to subdivision (c) of Section 7050.5 of the Health and Safety Code, and all excavation and site preparation activities shall cease within a 50-foot radius until appropriate arrangements are made.

If the agencies determine that avoidance is not feasible, then an alternative plan shall be prepared with specific steps and timeframe required to resume construction activities. Monitoring, data recovery, determination of significance and avoidance measures (if applicable) shall be completed expeditiously.

Responsible Implementing Entity: Project Sponsor; Oakland Community and Economic Development Agency (CEDA), Planning Division; Alameda County Coroner; Native American Heritage Commission

Monitoring Action(s): Project sponsor shall contact coroner in the event that human remains are encountered. Agencies shall respond to any such discovery as applicable.

Monitoring Responsibility: CEDA, Planning Division; Alameda County Coroner; Native American Heritage Commission

Monitoring Timeframe: Throughout construction period.

Implementation of the above mitigation measures would reduce impacts to less-than-significant levels.

14.2

01102101

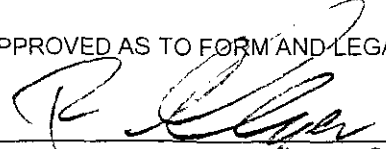
MAR 6 2007

OFFICE OF THE CITY CLERK
OAKLAND

2007 MAR -1 PM 6: 22

REVISED

APPROVED AS TO FORM AND LEGALITY:



Agency Counsel

REDEVELOPMENT AGENCY OF THE CITY OF OAKLAND

RESOLUTION No. _____ C.M.S.

A RESOLUTION AUTHORIZING THE AGENCY TO ENTER INTO A TWELFTH AMENDMENT TO THE DISPOSITION AND DEVELOPMENT AGREEMENT WITH SHORENSTEIN REALTY INVESTORS THREE, L.P., REGARDING THE CITY CENTER PROJECT: (1) EXTENDING THE OPTION TO PURCHASE BLOCK T-12 BY EIGHT MONTHS UNTIL DECEMBER 31, 2007; (2) REVISING PROVISIONS REGARDING WHEN THE PLANNED UNIT DEVELOPMENT AND GRADING PERMITS ARE REQUIRED; (3) DELETING THE OPTION TO DEVELOP A RESIDENTIAL PROJECT ON BLOCK T-12 (4) APPROVING THE ASSIGNMENT BY SRI, THREE OF ITS RIGHTS AND OBLIGATIONS TO SHORENSTEIN REALTY INVESTORS EIGHT, L.P.; (5) COMMITTING THE DEVELOPER TO CONTRIBUTE UP TO \$100,000 TO FUND AN EFFORT TO ATTRACT RETAIL TO DOWNTOWN OAKLAND; AND (6) COMMITTING THE DEVELOPER TO EXPLORE THE FEASIBILITY OF INCLUDING RETAIL IN ITS BLOCK T-12 AND T-5/6 COMMERCIAL DEVELOPMENTS AND A WORLD TRADE SHOWCASE CENTER PROJECT ON BLOCK T-5/6.

WHEREAS, the City of Oakland ("City"), the Redevelopment Agency of the City of Oakland ("Agency") and Shorenstein Realty Investors Three ("SRI Three") are parties to a Disposition and Development Agreement ("DDA") whereby SRI Three is the master developer of the twelve block area in the Central District Urban Renewal Area commonly referred to as the City Center Project; and

WHEREAS, the DDA, which sets forth the terms and conditions whereby SRI Three may purchase and develop the various parcels within the City Center Project, has been amended eleven times, most recently in 2005; and

WHEREAS, the parties to the DDA desire to further amend certain terms of the DDA including, among other things to, (1) extend the deadline to purchase block T-12 (legal description for Block T-12 is attached as Exhibit A) by eight months until December 31, 2007;


MAR 6 2007

(2) revise provisions regarding when the Planned Unit Development (“PUD”) and Grading Permits are required; (3) delete the option to develop a residential project on T-12; (4) approving the assignment by SRI Three of its rights and obligations To Shorenstein Realty Investors Eight, L.P. (“SRI Eight” and (5) committing the developer to contribute up to \$100,000 to fund an effort to attract retail to Downtown Oakland and (6) to explore the feasibility of including retail in its T-12 and T-5/6 (legal description for Block T-5/6 is attached as Exhibit B) commercial developments and World Trade Showcase Center Project on Block T-5/6, all as more fully described in the agenda report for this matter; and

WHEREAS, the DDA requires SRI Three to develop Block T-12 using commercially reasonable efforts to incorporate green building technologies and to achieve certification of “Bronze Level” under the LEED Green Building Rating System, Pilot Version, January 1999, and SRI Three remains committed to develop Block T-12 using commercially reasonable efforts to incorporate green building technologies, however the referenced standards are now outdated and SRI Three agrees to obtain the current equivalent rating which is LEED “Certified”; and

WHEREAS, SRI Three has committed to the City to use good faith efforts to recruit and offer employment to local businesses and residents; and

WHEREAS, SRI Three has committed to the City to use good faith efforts to ensure that local businesses and residents are provided opportunities as subcontractors under the primary contractors; and

WHEREAS, the Redevelopment Agency is a Responsible Agency for this Project for purposes of environmental review under the California Environmental Quality Act of 1970 (“CEQA”); and

WHEREAS, an Environmental Impact Report (“EIR”) (certified by the Oakland Planning Commission on April 26, 2000), has been prepared for the City Center project as proposed by Shorenstein Realty Partners Three, L.P., and has been independently reviewed and considered by the Agency in evaluating the City Center project in compliance with CEQA, the Guidelines for Implementation of the California Environmental Quality Act (14 CCR Sections 15000, et seq., the “State EIR Guidelines”), and the City’s Environmental Review Regulations; and

WHEREAS, the Planning Commission and the Agency determined that the EIR examined a reasonable range of alternatives, and that each alternative was rejected as infeasible for various reasons; and

WHEREAS, the Planning Commission and the Agency found and determined that all adverse environmental effects of the City Center project, with the exception of (1) increase in traffic delays in the downtown, (2) cumulative contribution to regional air pollutant problems, (3) cumulative noise impacts, and (4) exceedances of the 36-mph “wind hazard” speed could occur, would be less than significant or reduced to less-than-significant levels after implementation of the mitigation measures identified in the EIR and the mitigation monitoring program; and

WHEREAS, the Planning Commission and the Agency found and determined that the benefits of the City Center project outweigh any unavoidable adverse impact of the Project; and

WHEREAS, the Planning Commission and Agency both approved the Project and a Notice of Determination was subsequently filed; and

WHEREAS, Addendum #1 to the EIR, was prepared for increases in residential density and the elimination of office use for Block T-10 in October 2003, which was independently reviewed and considered by the Agency, and which concluded that none of the changes to the T-10 Project or circumstances under which it will be undertaken require preparation of a subsequent or supplemental EIR, as specified in CEQA and the CEQA Guidelines, including without limitation, Public Resources Code Section 21166 and CEQA Guidelines Sections 15162 and 15163; and

WHEREAS, both the Planning Commission and Agency both approved the Block T-10 revisions to the Project and a Notice of Determination was subsequently filed; and

WHEREAS, a June 2005 Addendum #2 to the EIR was prepared that considered an office tower as currently proposed as well as a residential land use option on Block T-12 which has been independently reviewed and considered by the Agency for applicability to the proposed Project, and which has concluded that none of the changes to the T-12 Project or circumstances under which it will be undertaken require preparation of a subsequent or supplemental EIR, as specified in CEQA and the CEQA Guidelines, including without limitation, Public Resources Code Section 21166 and CEQA Guidelines Sections 15162 and 15163; and

WHEREAS, as required by Health and Safety Code 33431, a notice of the public hearing regarding the Twelfth Amendment to the DDA was given by publication at least once a week for not less than two weeks prior to the public hearing in a newspaper of general circulation in Alameda County; and

WHEREAS, the Agency has made available to the public for inspection, no later than the first date of publication of the notice for the hearing, a copy of the proposed Twelfth Amendment to the DDA; and

WHEREAS, the City has determined that the disposition price for T-12 and T-5/6 are at or in excess of the market value of the sites based on the terms, conditions and restrictions set out in the DDA; and

WHEREAS, the City currently owns Building Site T-12 and at the time SRI Eight exercises its purchase option pursuant to the DDA, the City will transfer T-12 to the Agency, whereupon the Agency will transfer the site to SRI Eight and Agency will pass through to the City the purchase amount received from SRI Eight;

WHEREAS, the City has approved the execution of the Twelfth Amendment to the DDA by ordinance after a public hearing; now, therefore, be it

RESOLVED: That the Redevelopment Agency hereby finds and determines: (1) that it has been presented and has independently reviewed and considered the information contained

in the previously certified EIR and Addendum #2, and the EIR and Addendum #2 comply with CEQA and the CEQA Guidelines' requirements for analysis of the Project's environmental effects and mitigation measures; (2) that the mitigation measures adopted by the Agency in considering the EIR and approving the DDA, together with a mitigation monitoring program for the Project, are hereby adopted as specified in the attached Exhibit C; and (3) that none of the changes to the project, or circumstances under which it will be undertaken, or new information of substantial importance require preparation of a subsequent or supplemental EIR; and be it

FURTHER RESOLVED: That the City Council hereby directs the City Administrator to effect changes to the DDA to reflect SRI Three's commitment to use commercially reasonable efforts to develop Block T-12 and to at a minimum obtain a LEED "Certified" rating for the remaining parcels developed under the DDA; and be it

FURTHER RESOLVED: That the City Council hereby directs the City Administrator to effect changes to the DDA, in furtherance of the goals and policies of the City as contained in the City's Local and Small Local Enterprise Program and Local Employment Program, consistent with the intent and purpose of encouraging SRI Three to use good faith efforts to recruit and offer employment to and opportunities for contractors and subcontractors under primary contractors to local businesses and residents in accordance with the following:

- Recruitment and hiring of all Project workers at prevailing wage;
- Development of a program with contractors and subcontractors to arrange placement of graduates from the Cypress Mandela Center pre-apprenticeship program;
- Development of a workshop program to mentor local businesses through the competitive bid process including what is expected to ensure they are not overlooked due to the paperwork requirements;
- Work with the City to develop an outreach program (including advertising in appropriate publications working with existing organizations which serve the local and small business community) to identify and notify local businesses and encourage them to participate in the workshop program and competitive bid process; and
- Work with the City to identify local business employment programs; and be it

FURTHER RESOLVED: That the Redevelopment Agency hereby authorizes the Agency Administrator or her designee to negotiate and execute a Twelfth Amendment to the DDA with Shorenstein as set forth hereinabove and to take any other action with respect thereto consistent with this Resolution and its basic purpose; and be it

FURTHER RESOLVED: That the Redevelopment Agency hereby authorizes the Agency Administrator or her designee to approve the transfer of the DDA to SRI Eight subject to SRI Eight providing documentation to the Agency Administrator that it has sufficient investment or control by Shorenstein related entities or individuals as required by Section 2.04(a) of the Ninth Amendment to the DDA; and be it

FURTHER RESOLVED: That any and all documents necessary to effectuate the intent of this resolution shall be reviewed and approved as to form by the Agency Counsel prior to execution by the Agency Administrator or her designee; and be it

FURTHER RESOLVED: That the custodians and locations of the documents or other materials which constitute the record of proceedings upon which the Agency's decision is based are respectively: (a) the Community and Economic Development Agency, Redevelopment Division, 250 Frank H. Ogawa Plaza, 5th Floor, Oakland; (b) the Community and Economic Development Agency, Planning Division, 250 Frank H. Ogawa Plaza, 3rd Floor, Oakland; and (c) the Office of the City Clerk, 1 Frank H. Ogawa Plaza, 1st Floor, Oakland.

IN AGENCY, OAKLAND, CALIFORNIA, _____, 2007

PASSED BY THE FOLLOWING VOTE:

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

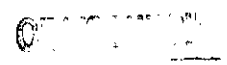
NOES-

ABSENT-

ABSTENTION-

ATTEST: _____
LATONDA SIMMONS
Secretary of the Redevelopment Agency
of the City of Oakland

14.2



MAR 6 2007

Exhibit A

Legal Description of Block T-12

LEGAL DESCRIPTION

Real Property in the City of Oakland, County of Alameda, State of California, described as follows:

Lots 1 to 28 inclusive, Block 155 Kellersberger's Map of Oakland, filed in Book 7 of Maps, Page 3, Records of Alameda County.

APN: 002-0027-007

Exhibit B

Legal Description for Block T-5/6 (combined)

LEGAL DESCRIPTION

Real property in the City of Oakland, County of Alameda, State of California, described as follows:

Parcel PP, as shown on the Parcel Map 5533, filed November 17, 1988 in Book 180 of Parcel Maps, Page 44, Alameda County Records.

EXCEPTING THEREFROM that portion conveyed to the City of Oakland in the Grant Deed executed by the Redevelopment Agency of the City of Oakland recorded March 30, 1976, Series No. 76-47723, Official Records.

APN: 002-0097-038, 002-0097-040, 002-0097-039

EXHIBIT C

MITIGATION MONITORING PROGRAM – BLOCK T-12

**MITIGATION MEASURES AND MONITORING PROGRAM
CASE FILE NO. PUD 05185**

CITY CENTER PROJECT – EIR ADDENDUM #2

(Changes from 2000 Revised and Amended)

APPLICABLE 2000 FEIR MITIGATION MEASURES – TRAFFIC, CIRCULATION AND PARKING (AMENDED AND RESTATED)

Impact B.1: The project would result in increases in traffic delay in the downtown. In particular, the project would result in a deteriorated level of service at the intersection of 12th and Brush Streets in the a.m. peak hour. This would be a significant impact.

Mitigation Measure B.1a: AT-12th and Brush Streets, the Block T12 project sponsor (if Option 2 is selected), along with the developer of Block T5/6 (Shorenstein or its successor) shall work with Caltrans and coordinate with the City to consider various improvement options, which could include signal timing improvements or additional lanes on the ramp. The developer shall fund its fair share of any required improvements. Because implementation of this measure requires consultation with Caltrans, the City cannot ensure that the mitigation measure could be implemented and the anticipated impact is therefore considered to be significant and unavoidable.

Responsible Implementing Entity: Oakland Public Works Agency, Traffic Engineering Division; Caltrans

Monitoring Action(s): Public Works Agency, Traffic Engineering Division to work with Caltrans to determine analyze feasible improvement options and determine project share of cost.

Monitoring Responsibility: CEDA, Planning Division; Public Works Agency, Traffic Engineering Division

Monitoring Timeframe: Prior to issuance of certificate of occupancy for last building.

Impact B.4: The project could result in a parking deficit of approximately 430 off-street parking spaces at project buildout. This would be a significant impact.

Mitigation Measure B.4: The Block T12 project sponsor, along with the developer of Block T5/6 (Shorenstein or its successor) shall submit a transportation/parking study, subject to the review and approval of the City Traffic Engineering Division of the Public Works Agency and the Planning Division of the Community and Economic Development Agency, that evaluates then-current and forecast parking supply and demand for each subsequent project phase, prior to the final PUD approval of those phases. The study shall also determine the degree, if any, of the expected shortfall in transit capacity that could result from a shift away from auto travel and to transit use. Implementation of Mitigation Measure B.4 would ensure that development and occupancy of Blocks T12 and T5/6 would not adversely affect parking in the project vicinity.

If a parking shortfall is anticipated, the developer shall implement means of reducing parking demand and, to the extent deemed necessary, of increasing off-street parking supply in the City Center area through a variety of methods, which may include one or more of the following measures, as deemed appropriate by the City:

- The developer shall work with the Redevelopment Agency to construct (or provide in-lieu fees for City construction of) some portion of the shortfall of approximately 430 parking spaces that the project would generate;
- If office space were to be constructed on Block T12 or Block T5/6, the developer shall incorporate the use of valet parking in commercial parking garage(s) within buildings owned by the developer, including the City Center Garage. (Residential valet parking typically is less feasible than valet operation in commercial garages due to longer-term residential demand.) Valet operations typically increase garage capacity by between 30 percent and 50 percent, and these steps could accommodate nearly all of the project's calculated commercial parking shortfall;
- If office space were to be constructed on Block T12 or Block T5/6, the developer shall require employers to institute flexible work hours or telecommuting;
- The developer shall construct additional on-site parking for the affected subsequent phase(s) of the project;
- The developer shall work with the City to expand the existing City Center West garage;
- The developer shall connect the underground parking areas on two or more of the project's building sites;
- The developer and/or the City shall use one of the four building sites for above-ground (structure) parking;
- The developer shall participate in a potential future parking assessment district that may be created for an area including the project site; and/or
- The City shall require that the developer pay a development impact fee to offset the cost of providing additional parking in the City Center area.

In addition, parking demand could be reduced through steps to reduce use of *single-occupancy vehicles*. (These same steps would also reduce traffic and lessen emissions of criteria air pollutants.) Among the possibilities the applicant could undertake are:

- If office space were to be constructed on Block T12 or Block T5/6, the developer shall implement a carpool/vanpool program (e.g. carpool ridesharing for employees, assistance with vanpool formation, provision of vanpool vehicles, etc.) and distribute information to employees on transit and carpooling options (maps, schedules, information from Bay Area RIDES). This could be done at a lobby kiosk or other location where employees are likely to congregate;
- In coordination with AC Transit and City staff, the developer shall construct transit facilities such as bus turnouts/bus bulbs, benches, and shelters along the road segments that define the development blocks, or on other comparable nearby roadway segments that may be identified by AC Transit and City staff as the most appropriate location(s) to locate such facilities to most effectively serve the project;
- The developer shall establish a "transit store" to provide transit information and sell transit passes and tickets, as well as distribute transit maps and schedules. This "store" could be incorporated into a convenience store that might exist within the project;
- The developer shall provide preferential parking (e.g., near building entrance) and reduced/eliminated parking fees in project garages, the City Center Garage, and City Center West

Garage for carpool and vanpool vehicles. If a waiting list for monthly parking develops assign priority in issuing new permits to carpools and vanpools;

- If office space were to be constructed on Block T12 or Block T5/6, the developer shall require employers to subsidize transit passes (such as through the Metropolitan Transportation Commission's "Commuter Check" program) and/or direct provision by the office developer of such transit pass subsidies; and
- The developer shall provide secure, weather-protected long-term bicycle parking for future residents and employees at the proposed retail and office uses, secure short-term bicycle parking for retail customers, and showers and lockers for employees bicycling or walking to work.

Responsible Implementing Entity: Oakland Public Works Agency, Traffic Engineering Division

Monitoring Action(s): Public Works Agency, Traffic Engineering Division to work with Caltrans to determine analyze feasible improvement options and determine project share of cost.

Monitoring Responsibility: CEDA, Planning Division; Public Works Agency, Traffic Engineering Division

Monitoring Timeframe: Prior to Final PUD approval for each subsequent phase after Block T12.

Impact B.5: Project ridership on AC Transit could be accommodated. Project ridership on BART could be accommodated on the trains, but is likely to exceed the capacity of the 12th Street station at project buildout. This would be a significant impact.

Mitigation Measure B.5: For the final phase of the project construction following Block T12 (Block T5/6), the developer of Block T5/6 (Shorenstein or its successor), if the Block T5/6 building includes office space, shall conduct a study, subject to the review and approval of the City Traffic Engineering Division, to determine whether there is adequate exiting capacity at the 12th Street station. The Block T5/6 developer shall work with BART to assure that with buildout of the project (all four buildings), adequate exit fare gates are available at the 11th Street exits in the a.m. peak hour so that the maximum passenger wait does not exceed two minutes to be processed through the fare gates. This may require the addition of one or more new fare gates at the 11th Street exit to the station. Implementation of this measure would reduce the anticipated impact to less-than-significant levels.

Responsible Implementing Entity: Planning Division; Oakland Public Works Agency, Traffic Engineering Division; BART

Monitoring Action(s): Public Works Agency, Traffic Engineering Division shall review project sponsor's transportation study prior to submittal to BART and shall participate, as necessary, in discussions with BART and project sponsor.

Monitoring Responsibility: CEDA, Planning Division; Public Works Agency, Traffic Engineering Division

Monitoring Timeframe: Prior to Final PUD approval for each subsequent phase after Block T12.

Impact B.6: The project is likely to increase the demand for bicycle parking in the City Center area, and may be inconsistent with the suggested bicycle parking space recommendations indicated in the Oakland Bicycle Master Plan. This would be a significant impact.

Mitigation Measure B.6: The project shall provide an adequate number of bicycle parking spaces, as determined by the City, in location(s) either on-site or within a three-block radius, or through payment of appropriate in-lieu fees. Implementation of this measure would reduce the anticipated impact to less-than-significant levels.

Responsible Implementing Entity: Planning Division; Oakland Public Works Agency, Traffic Engineering Division; BART

Monitoring Action(s): Planning Division and Public Works Agency, Traffic Engineering Division shall review project's proposed bicycle parking plan.

Monitoring Responsibility: CEDA, Planning Division; Public Works Agency, Traffic Engineering Division

Monitoring Timeframe: Prior to Final PUD approval for each subsequent phase after Block T12.

Impact B.7: Project construction could result in temporary circulation impacts in the project vicinity. This would be a significant impact.

Mitigation Measure B.7: Prior to the start of excavation or construction on all project blocks, the project sponsors would submit to the City Traffic Engineering Division for review and approval a plan for managing construction-period traffic and parking. This plan would include information on routing of construction traffic, deliveries of large items, provision of off-street parking for construction workers, use of on-street parking spaces, off-street equipment staging, and any encroachment into public streets that would affect traffic flow, public parking, or pedestrian access and safety. Implementation of this measure would reduce the anticipated impact to less-than-significant levels.

Responsible Implementing Entity: Planning Division; Oakland Public Works Agency, Traffic Engineering Division

Monitoring Action(s): Public Works Agency, Traffic Engineering Division shall review project sponsor's construction-period traffic and parking plan.

Monitoring Responsibility: CEDA, Planning Division; Public Works Agency, Traffic Engineering Division

Monitoring Timeframe: Prior to issuance of building permits for each building.

APPLICABLE 2000 FEIR MITIGATION MEASURES – air quality (RESTATED)

Impact C.1: Fugitive dust generated by construction activities would be substantial and would increase PM-10 concentrations in the immediate project vicinity. This would be a significant impact.

Mitigation Measure C.1: The project sponsors (Shorenstein, or its successor, as applicable) shall require the construction contractor to implement a dust abatement program.

Elements of this program shall include the following:

- Water all active construction areas at least twice daily;
- Cover all trucks hauling soil, sand, and other loose materials or require all trucks to maintain at least two feet of freeboard (i.e., the minimum required space between the top of the load and the top of the trailer);
- Pave, apply water three times daily, or apply (non-toxic) soil stabilizers on all unpaved access roads, parking areas and staging areas at construction sites;
- Sweep daily (with water sweepers) all paved access roads, parking areas and staging areas at construction sites;

- Sweep streets daily (with water sweepers) if visible soil material is carried onto adjacent public streets; and
- Designate a person or persons to oversee the implementation of a comprehensive dust control program and to increase watering, as necessary.

The above list of measures are recommended by BAAQMD as feasible control measures to reduce construction dust emissions at sites, such as the individual development blocks associated with the project, which are less than four acres in area. With implementation of these mitigation measures, the residual effect would be less than significant.

In addition, the following measures, which are identified in the EIR on the *Oakland General Plan Land Use and Transportation Element* (City of Oakland, 1997; p. III.E-26) for future development projects, are recommended to minimize construction equipment emissions during the construction period:

- Demonstrate compliance with BAAQMD Regulation 2, Rule 1 (General Requirements) for all portable construction equipment subject to that rule. BAAQMD Regulation 2, Rule 1 requires an authority to construct and permit to operate certain types of portable equipment used for construction purposes (e.g., gasoline or diesel-powered engines used in conjunction with power generation, pumps, compressors, and cranes) unless such equipment complies with all applicable requirements of the "CAPCOA Portable Equipment Registration Rule" or with all applicable requirements of the Statewide Portable Equipment Registration Program. This exemption is provided in BAAQMD Rule 2-1-105.
- Perform low- NO_x tune-ups on all diesel-powered construction equipment greater than 50 horsepower (no more than 30 days prior to the start of use of that equipment). Periodic tune-ups (every 90 days) should be performed for such equipment used continuously during the construction period.

Implementation of these measures would reduce the anticipated impact to less-than-significant levels.

Responsible Implementing Entity: Oakland Community and Economic Development Agency (CEDA), Building Services Division

Monitoring Action(s): CEDA, Building Services Division shall conduct spot-checks as deemed necessary throughout construction period.

Monitoring Responsibility: CEDA, Building Services Division

Monitoring Timeframe: Throughout the construction period.

Impact C.2: The project would result in an increase in criteria pollutant emissions due to related motor vehicle trips and on-site area emissions sources. This would be a significant impact.

Mitigation Measure C.2a: Throughout operation of the project, the office developer (Shorenstein or its successor) shall implement Transportation Control Measures identified in the *General Plan Land Use and Transportation Element EIR*.

The following Transportation Control Measures shall be implemented to increase the likelihood that the assumed level of use of alternative travel modes (i.e., transit and carpool) that has been incorporated into the impact analysis would be exceeded in practice and, furthermore, to reduce estimated vehicle-related NO_x emissions by four percent, which would reduce the impact to less than significant (i.e., to less than

80 pounds per day). (For each measure, the estimated effectiveness in reducing vehicle trips is given in parentheses.)

- Implement a carpool/vanpool program (e.g. carpool ridesharing for employees, assistance with vanpool formation, provision of vanpool vehicles, etc.) (effectiveness 1.0 to 4.0 percent of work trips);
- In coordination with AC Transit and City staff, construct transit facilities such as bus turnouts/bus bulbs, benches, and shelters along the road segments that define the development blocks (effectiveness 0.5 to 2.0 percent of all trips);
- Provide preferential parking (e.g., near building entrance) and reduced/eliminated parking fees in the City Center Garage and City Center West Garage for carpool and vanpool vehicles (effectiveness 0.5 to 1.5 percent of work trips for preferential location; 2 percent or more of work trips for reduced parking fees);
- Provide employer subsidy of transit passes (such as through the Metropolitan Transportation Commission's "Commuter Check" program);
- Provide secure, weather-protected long-term bicycle parking for future residents and employees at the proposed retail and office uses (effectiveness 0.5 to 2.0 percent of work trips);
- Provide showers and lockers for employees bicycling or walking to work at the proposed retail and office uses (effectiveness 0.5 to 2.0 percent of work trips); and
- Provide secure short-term bicycle parking for future retail customers (effectiveness 1.5 to 2.0 percent of non-work trips).

Implementation of these measures would reduce the anticipated impact to less-than-significant levels.

Responsible Implementing Entity: Oakland Community and Economic Development Agency (CEDA), Planning Division and Building Services Division

Monitoring Action(s): For physical improvements, CEDA Planning Division shall review and approve project plans to ensure required improvements are included; Building Services Division shall verify construction of required improvements during field inspection. For ongoing programs during building operation, Planning Division, Building Services Division, and/or Oakland Public Works Agency, Traffic Engineering Division shall monitor on a complaints-received basis.

Monitoring Responsibility: CEDA, Planning Division and Building Services Division; Oakland Public Works Agency, Traffic Engineering Division

Monitoring Timeframe: Implementation will occur throughout operation of subsequent office buildings based on transportation plans to be submitted by the office developer prior to the issuance of an occupancy permit for the T12 and T5/6 buildings.

Mitigation Measure C.2b: The office developer (Shorenstein or its successor) shall implement Mitigation Measure B.5 (improvements to BART-12th Street Station exit gates) to facilitate use of BART by project workers.

Implementation of these measures would reduce the anticipated impact to less-than-significant levels.

Responsible Implementing Entity: Planning Division; Oakland Public Works Agency, Traffic Engineering Division; BART

Monitoring Action(s): Public Works Agency, Traffic Engineering Division shall review project sponsor's transportation study prior to submittal to BART and shall participate, as necessary, in discussions with BART and project sponsor.

Monitoring Responsibility: CEDA, Planning Division; Public Works Agency, Traffic Engineering Division

Monitoring Timeframe: Prior to Final PUD approval for each subsequent phase after Block T12.

APPLICABLE 2000 FEIR MITIGATION MEASURES – noise (AMENDED AND RESTATED)

Impact D.1: Construction activities would intermittently and temporarily generate noise levels above existing ambient levels in the project vicinity. This would be a significant impact.

Mitigation Measure D.1a: The project sponsor shall require construction contractors to limit standard construction activities as required by the City Building Department. Such activities are generally limited to between 7:00 a.m. and 7:00 p.m. Monday through Friday, with pile driving and/or other extreme noise generating activities greater than 90 dBA limited to between 8:00 a.m. and 4:00 p.m. Monday through Friday, with no extreme noise generating activity permitted between 12:30 p.m. and 1:30 p.m. No construction activities shall be allowed on weekends until after the building is enclosed, without prior authorization of the Building Services Division, and no extreme noise generating activities shall be allowed on weekends and holidays.

Responsible Implementing Entity: Project Sponsor; Oakland Community and Economic Development Agency (CEDA), Building Services Division

Monitoring Action(s): Project sponsor shall prepare and submit for review and approval a site-specific construction noise control plan.

Monitoring Responsibility: CEDA, Building Services Division

Monitoring Timeframe: Review and approve noise control plan prior to the issuance of demolition, grading, excavation, or building permits. Monitor and respond to noise complaints throughout construction period.

Mitigation Measure D.1b: To reduce daytime noise impacts due to construction, the project sponsor shall require construction contractors to implement the following measures:

- Equipment and trucks used for project construction shall utilize the best available noise control techniques (*e.g.*, improved mufflers, equipment redesign, use of intake silencers, ducts, engine enclosures and acoustically-attenuating shields or shrouds, wherever feasible and necessary);
- Impact tools (*e.g.*, jack hammers, pavement breakers, and rock drills) used for project construction shall be hydraulically or electrically powered wherever possible to avoid noise associated with compressed air exhaust from pneumatically powered tools. However, where use of pneumatic tools is unavoidable, an exhaust muffler on the compressed air exhaust shall be used; this muffler can lower noise levels from the exhaust by up to about 10 dB. External jackets on the tools themselves shall be used where feasible, and this could achieve a reduction of 5 dB. Quieter procedures shall be used such as drilling rather than impact equipment whenever feasible; and
- Stationary noise sources shall be located as far from sensitive receptors as possible. If they must be located near existing receptors, they shall be muffled to the extent feasible and enclosed within temporary sheds.

- If feasible, the noisiest phases of construction (such as pile driving) shall be limited to less than 10 days at a time to comply with the local noise ordinance.

Responsible Implementing Entity: Project Sponsor; Oakland Community and Economic Development Agency (CEDA), Building Services Division

Monitoring Action(s): Project sponsor shall prepare and submit for review and approval a site-specific construction noise control plan.

Monitoring Responsibility: CEDA, Building Services Division

Monitoring Timeframe: Review and approve noise control plan prior to the issuance of demolition, grading, excavation, or building permits. Monitor and respond to noise complaints throughout construction period.

Mitigation Measure D.1c: To further mitigate potential other extreme noise generating construction impacts, a set of site-specific noise attenuation measures shall be completed under the supervision of a qualified acoustical consultant. Prior to commencing construction, a plan for such measures shall be submitted for review and approval by the City to ensure that maximum feasible noise attenuation will be achieved. These attenuation measures shall include as many of the following control strategies as feasible:

- Erect temporary plywood noise barriers around the construction site, particularly along the eastern boundary along 14th Street to shield the adjacent multi-family residential buildings;
- Implement “quiet” pile driving technology (such as pre-drilling of piles, the use of more than one pile driver to shorten the total pile driving duration), where feasible, in consideration of geotechnical and structural requirements and conditions;
- Utilize noise control blankets on the building structure as the building is erected to reduce noise emission from the site;
- Evaluate the feasibility of noise control at the receivers by temporarily improving the noise reduction capability of adjacent buildings; and
- Monitor the effectiveness of noise attenuation measures by taking noise measurements.

Responsible Implementing Entity: Project Sponsor; Oakland Community and Economic Development Agency (CEDA), Building Services Division

Monitoring Action(s): Project sponsor shall prepare and submit for review and approval a site-specific construction noise control plan.

Monitoring Responsibility: CEDA, Building Services Division

Monitoring Timeframe: Review and approve noise control plan prior to the issuance of demolition, grading, excavation, or building permits. Monitor and respond to noise complaints throughout construction period.

Mitigation Measure D.1d: Prior to the issuance of each building permit, along with the submission of construction documents, the project sponsor shall submit to the City Building Department a list of measures to respond to and track complaints pertaining to construction noise. These measures shall include:

- A procedure for notifying the City Building Division staff and Oakland Police Department;
- A plan for posting signs on-site pertaining to permitted construction days and hours and complaint procedures and who to notify in the event of a problem;

- A listing of telephone numbers (during regular construction hours and off-hours);
- The designation of an on-site construction complaint manager for the project;
- Notification of neighbors within 300 feet of the project construction area at least 30 days in advance of pile-driving activities about the estimated duration of the activity; and
- A preconstruction meeting shall be held with the job inspectors and the general contractor/on-site project manager to confirm that noise mitigation and practices (including construction hours, neighborhood notification, posted signs, etc.) are completed.

Responsible Implementing Entity: Project Sponsor; Oakland Community and Economic Development Agency (CEDA), Building Services Division

Monitoring Action(s): Project sponsor shall prepare and submit for review and approval a site-specific construction noise control plan.

Monitoring Responsibility: CEDA, Building Services Division

Monitoring Timeframe: Review and approve noise control plan prior to the issuance of demolition, grading, excavation, or building permits. Monitor and respond to noise complaints throughout construction period.

Implementation of Mitigation Measure D.1a through D.1d would reduce construction noise impacts to a less-than-significant level.

APPLICABLE 2000 FEIR MITIGATION MEASURES – shadow and wind (RESTATED)

Impact F.2: The project could result in exceedances of the 36-mph “wind hazard” speed. This would be a significant impact.

Mitigation Measure F.2: The City shall require the project sponsors (Shorenstein, or its successor, as applicable) to incorporate, to the maximum extent feasible, specific design elements in the final siting and designs for the high rises that would reduce ground-level winds within the Downtown Showcase District.

Recommended modifications to the building masses as tested [i.e., 425-foot towers tested for the 1997 *General Plan Land Use and Transportation Element EIR*] to reduce winds would include some of the design features already included in the project, such as:

- placing the buildings back from the sidewalk, which would likely reduce winds at the sidewalk itself;
- the introduction of curved facades, which could reduce the tendency of the project structures to intercept upper-level winds and direct them down to ground level; and
- placing the tower atop a lower podium level, which would serve to interrupt winds traveling down the tower before they reach ground level.

In addition, the use of facade articulation, to break up winds along the building face, and horizontally projecting wind screens, to disturb the downward flow of wind, could further serve to reduce ground-level winds.

This anticipated impact may remain significant even after implementation of these measures. Consistent with the 2000 FEIR, a condition of approval shall be incorporated into the Modified Project requiring further wind-tunnel testing for any project that includes development in excess of 100 feet in height, in order to reduce wind impacts to the maximum extent feasible, although it is possible that the impact would not be reduced to a less-than-significant level.

Responsible Implementing Entity: Oakland Community and Economic Development Agency (CEDA), Planning Division

Monitoring Action(s): For Block T12, if Option 2 (i.e., a building in excess of 100 feet tall) is selected, Planning Division shall require wind-tunnel testing. For subsequent phases of the City Center Project, Planning Division shall similarly require wind-tunnel testing for buildings taller than 100 feet, unless a qualified wind expert determines no testing is required.

Monitoring Responsibility: CEDA, Planning Division

Monitoring Timeframe: Prior to approval of Final PUD for each phase of the City Center Project.

MITIGATION FOR ISSUES ANALYZED IN THE INITIAL STUDY

Geology and Soils (Restated)

- Construction operations, especially excavation and grading operations, shall be confined as much as possible to the dry season, in order to avoid erosion of disturbed soils; and
- Final project landscaping plans shall be submitted to the Planning Director for review and approval.

Responsible Implementing Entity: Oakland Community and Economic Development Agency (CEDA), Planning and Building Services Divisions

Monitoring Action(s): CEDA, Planning Division shall review and approved landscaping plans; Building Services Division shall conduct spot-checks as deemed necessary throughout construction period.

Monitoring Responsibility: CEDA, Building Services Division

Monitoring Timeframe: Throughout construction period.

Implementation of the above mitigation measures would reduce impacts to less-than-significant levels.

Hydrology and Water Quality (Amended and Restated)

- The applicant shall be required to pay fees to compensate the City for the cost of any system upgrades required to accommodate increased runoff from the proposed project; and
- The applicant shall be required to grade unpaved areas to control surface drainage and redirect surface water away from areas of activity during excavation and construction; and
- The project applicant shall be required to comply with the Alameda Countywide Clean Water Program NPDES permit, and would implement appropriate source control and site design measures, and design and implement stormwater treatment measures to reduce stormwater pollution to the maximum extent practicable.

Responsible Implementing Entity: Oakland Community and Economic Development Agency (CEDA), Building Services Division; Oakland Public Works Agency

Monitoring Action(s): CEDA, Building Services Division shall conduct spot-checks as deemed necessary throughout construction period.

Monitoring Responsibility: CEDA, Building Services Division

Monitoring Timeframe: Throughout construction period.

Implementation of the above mitigation measures would reduce impacts to less-than-significant levels.

Cultural Resources (Amended and Restated)

- An archival cultural resource evaluation shall be implemented prior to the start of construction or other ground-disturbing activities to identify whether historic or unique archaeological resources exist within the project site. The archival cultural resource evaluation, or “sensitivity study,” shall be conducted by a cultural resource professional approved by the City who meets the Secretary of the Interior’s Professional Qualifications Standards for Prehistoric and Historical Archaeology.

The purpose of the archival cultural resource evaluation is to: (1) identify documentation and studies to determine the presence and location of potentially significant archaeological deposits; (2) determine if such deposits meet the definition of a historical resource under CEQA Guidelines Section 15064.5 or a unique archaeological resource under CEQA Section 21083.2(g); (3) guide additional archaeological work, potentially including pre-construction subsurface archaeological investigation if warranted, to recover the information potential of such deposits; and (4) define an archaeological monitoring plan, if warranted. If excavation is the only feasible means of data recovery, such excavation shall be in accord with the provisions of CEQA Guidelines Section 15126.4(b)(3)(C). Any additional archaeological work and or monitoring shall be pursuant to a plan approved by the City. If a pre-constructing testing program is deemed necessary by the qualified professional as a result of the archival study, it shall be guided by the archival study and shall use a combination of subsurface investigation methods (including backhoe trenching, augering, and archaeological excavation units, as appropriate).

Representatives of established local Chinese-American organizations (including the Chinese Historical Society of America and the Oakland Asian Cultural Center) shall be invited to participate in a focused community review of the archival cultural resource evaluation prior to any subsequent recovery of potential resources or prior to the start of construction, whichever is earlier. The City shall consider the community comments in its review and approval of any plan for additional archaeological work or monitoring.

Should an archaeological artifact be discovered on-site during project construction, all activities within a 50-foot radius would be halted until the findings can be fully investigated by a qualified archaeologist to evaluate the find and assess the significance of the find according to the CEQA definition of a historical or unique archaeological resource. If the deposit is determined to be significant, the project sponsor and the qualified archaeologist shall meet to determine the appropriate avoidance measures or other appropriate mitigation, subject to approval by the City of Oakland, which shall assure implementation of appropriate mitigation measures recommended by the archaeologist. Should archaeologically significant materials be recovered, the qualified archaeologist would recommend appropriate analysis and treatment, and would prepare a report on the findings for submittal to the Northwest Information Center.

If historic or unique archaeological resources associated with the Chinese community are identified within the project site and are further determined to be unique, the City shall consult with representatives of an established local Chinese-American organization(s) regarding the potential use of the archaeological findings for interpretive purposes.

Responsible Implementing Entity: Project Sponsor; Oakland Community and Economic Development Agency (CEDA), Planning Division

Monitoring Action(s): Project sponsor shall prepare and submit to Planning Division for review and approval an archival cultural resource evaluation. Project sponsor shall contact qualified archaeologist in the event that artifacts are discovered during construction. Archaeologist shall consult with Planning Division and with representatives of local Chinese-American community regarding any such discovery and shall undertake data recovery as warranted based on the nature of the discovery.

Monitoring Responsibility: CEDA, Planning Division

Monitoring Timeframe: Review and accept archival cultural resource evaluation prior to the start of any ground-disturbing activities. Direct data recovery, as applicable, in the event that artifacts are discovered during the construction period.

- In the event that human skeletal remains are uncovered at the project site during construction or ground-breaking activities, all work shall immediately halt and the Alameda County Coroner shall be contacted to evaluate the remains, and follow the procedures and protocols pursuant to Section 15064.5 (e)(1) of the CEQA Guidelines. If the County Coroner determines that the remains are Native American, the City shall contact the California Native American Heritage Commission (NAHC), pursuant to subdivision (c) of Section 7050.5 of the Health and Safety Code, and all excavation and site preparation activities shall cease within a 50-foot radius until appropriate arrangements are made.

If the agencies determine that avoidance is not feasible, then an alternative plan shall be prepared with specific steps and timeframe required to resume construction activities. Monitoring, data recovery, determination of significance and avoidance measures (if applicable) shall be completed expeditiously.

Responsible Implementing Entity: Project Sponsor; Oakland Community and Economic Development Agency (CEDA), Planning Division; Alameda County Coroner; Native American Heritage Commission

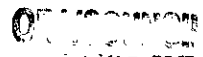
Monitoring Action(s): Project sponsor shall contact coroner in the event that human remains are encountered. Agencies shall respond to any such discovery as applicable.

Monitoring Responsibility: CEDA, Planning Division; Alameda County Coroner; Native American Heritage Commission

Monitoring Timeframe: Throughout construction period.

Implementation of the above mitigation measures would reduce impacts to less-than-significant levels.

14.2



MAR 6 2007