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APPROVED AS TO FORM AND LEGALITY:



Agency Counsel

**REDEVELOPMENT AGENCY  
OF THE CITY OF OAKLAND**

2005-0065

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

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**A RESOLUTION AUTHORIZING AN OWNER PARTICIPATION AGREEMENT WITH JACKSON CENTER TWO, LLC, FOR THE DEVELOPMENT OF A MIXED-USE PROJECT WITH A PUBLIC PARKING GARAGE AT 235 12TH STREET IN THE CENTRAL DISTRICT THAT INCLUDES AN AGENCY REBATE OF THE NET PROPERTY TAX INCREMENT GENERATED BY THE PROJECT**

**WHEREAS**, the Agency and the City have initiated the "10K Downtown Housing Program" to attract ten thousand new residents into the Central District Redevelopment Project Area, and the Agency has determined that it desires to encourage new housing; and

**WHEREAS**, the Agency has targeted development on underdeveloped sites, primarily surface parking lots, which has resulted in the loss of public parking; and

**WHEREAS**, the Agency is now focusing on public parking development, including the 17<sup>th</sup> Street Garage and Central District Parking Garage Development; and

**WHEREAS**, additional parking will be needed to offset the loss of over 2,000 spaces from 10K development activity; and

**WHEREAS**, Jackson Center Two, LLC, is now proposing to develop a mixed-use, primarily residential, project (the "Project") with 104 units, 5,000 square feet of retail and 281 parking spaces at 235 12<sup>th</sup> Street, on a site currently occupied by a one-story building that has been vacant since it was damaged in the Loma Prieta earthquake, located in the Central District Redevelopment Project Area; and

**WHEREAS**, the 163 public parking spaces are not financially feasible without approximately \$3.2 million (\$2.0 million net present value when discounted at 8.5%) in Redevelopment Agency assistance in the form of tax increment rebates; and

**WHEREAS**, the California Community Redevelopment Law (Health and Safety Code Sections 33339 and 33345) requires that redevelopment plans provide for participation by property owners in the redevelopment of project areas through owner participation agreements, and the Central District Urban Renewal Plan provides for participation by property owners in redevelopment of the Central District; and

**WHEREAS**, the Agency and Jackson Center Two, LLC, desire to enter into an Owner Participation Agreement ("OPA") to provide for the redevelopment of the Project site and to provide for financial assistance from the Agency for the redevelopment; and

**WHEREAS**, the OPA will require that the public parking will be made available on a first-come first-served basis, with at least half of the spaces reserved for daily and hourly parkers; and

**WHEREAS**, the OPA will require that Jackson Center Two, LLC, construct and operate the Project consistent with the Central District Urban Renewal Plan and will restrict the use of the Property to housing, parking and commercial uses; and

**WHEREAS**, the OPA will require conformity with the Central District Urban Renewal Plan, and will prohibit discrimination in any aspect of the Project as required under the Central District Urban Renewal Plan and the California Community Redevelopment Law; and

**WHEREAS**, the Project uses are in conformity with the Central District Urban Renewal Plan and its implementation plan, the Project will assist in the elimination of blight in the Central District Redevelopment Project Area, and the Project will help meet the objectives of the Central District Urban Renewal Plan; 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**, the Oakland Planning Commission on September 3, 2003, determined that the Project met the definition of "infill development," and was therefore categorically exempt from CEQA, per Section 15332 of the CEQA guidelines; now, therefore, be it

**RESOLVED:** That the Agency Administrator or his or her designee is hereby authorized to negotiate and execute an OPA with Jackson Center Two, LLC, or an affiliated entity or entities approved by the Agency Administrator, for the Project, as well as negotiate and execute other documents necessary to facilitate the redevelopment of the Project site; and be it further

**RESOLVED:** That the Agency hereby finds and determines that the Project will further the purposes of the California Community Redevelopment Law, will contribute to the elimination of blight in the Central District Redevelopment Project Area, conforms to the Central District Urban Renewal Plan, including its implementation plan, and will further the goals and objectives of said Plan in that: (1) the Project will increase the stock of housing in the Central District, and reestablish residential areas for all economic levels within the Central District; (2) the Project will provide necessary neighborhood-serving commercial facilities lacking in the Central District; (3) the Project, once developed, will create permanent jobs for low and moderate income people, including jobs for area residents; (4) the Project will create a stable 24-hour residential community which will enhance the viability of retail businesses in the area; (5) the Project will redevelop a key underutilized site in the Central District; (6) the Project will provided needed public parking; (7) the Project will improve environmental design within the Central District; and (8) the Project, once developed, will enhance depreciated and stagnant residential and commercial property values in the surrounding areas, and will encourage efforts to alleviate economic and physical blight conditions in the area, including high business vacancy rates, excessive vacant lots, and abandoned buildings, by enhancing the development potential and overall economic viability of neighboring properties; and be it further

**RESOLVED:** That the OPA shall include the following terms and conditions:

- Construction of at least 163 public parking spaces, with at least half of the spaces reserved for daily and hourly parkers;
- An Agency rebate of tax increment revenues generated by the Project, net of tax increment revenues currently generated by the Project site, all pass-throughs to the County, ERAF, or other taxing entities, any setasides to the Low and Moderate Income Housing Fund, etc., annually through FY 2021-22 or until the cumulative stream of rebates equals \$2,006,626 when discounted at 8.5%, whichever is reached first;
- The rebate to take effect only after the Project receives its certificate of occupancy and all land use entitlements required for the public parking, and begins operation of the public parking garage;
- Jackson Center Two, LLC, to comply with provisions of the Central District Urban Renewal Plan and nondiscrimination provisions of redevelopment law;
- Project commencement and completion dates to be set in the OPA as negotiated by the Agency Administrator;
- Required application of the Agency's employment and contracting programs (prevailing wage, local employment, local/small local business enterprise contracting, apprenticeship, living wage, and first-source hiring) to the Project;
- Project uses restricted to residential, parking, and retail/commercial uses;
- Any other appropriate terms and conditions as the Agency Administrator or his or her designee may establish in his or her discretion or as the

California Community Redevelopment Law or the Central District Urban  
Renewal Plan may require;

and be it further

**RESOLVED:** That all documents related to this transaction shall be reviewed and approved by Agency Counsel prior to execution, and copies will be placed on file with the Agency Secretary; and be it further

**RESOLVED:** That the Agency hereby appoints the Agency Administrator or his or her designee as agent of the Redevelopment Agency to conduct negotiations and execute documents with respect to the Project and the OPA as necessary to effectuate this transaction, and to take any other action with respect to the Project consistent with this Resolution and its basic purpose.

IN AGENCY, OAKLAND, CALIFORNIA, NOV 01 2005

**PASSED BY THE FOLLOWING VOTE:**

AYES- ~~BROOKS~~, BRUNNER, CHANG, KERNIGHAN, NADEL, ~~QUAN~~, REID, AND  
CHAIRPERSON DE LA FUENTE, -6

NOES- 0

ABSENT- 0

ABSTENTION- Brooks and Quan - 2

ATTEST: *Latonda Simmons*  
LATONDA SIMMONS  
Secretary of the Redevelopment Agency  
of the City of Oakland