



# Agenda Report



**TO:** Honorable Mayor and  
members of the City Council

**FROM:** Councilmember Rebecca  
Kaplan  
At-Large District

**SUBJECT:** Coliseum Sale

**DATE:** June 6, 2024

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## RECOMMENDATION

Councilmember Rebecca Kaplan recommends adopting the following:

**AN ORDINANCE AUTHORIZING THE CITY ADMINISTRATOR TO NEGOTIATE AND EXECUTE A PURCHASE AND SALE AGREEMENT WITH AASEG LAND LLC, A DELAWARE LIMITED LIABILITY COMPANY, OR ITS AFFILIATE, FOR THE SALE OF THE CITY OF OAKLAND'S UNDIVIDED 50 PERCENT INTEREST IN PROPERTY LOCATED AT 7000 COLISEUM WAY, OAKLAND, CALIFORNIA, FOR ONE HUNDRED FIVE MILLION DOLLARS (\$105,000,000) TO BE PAID IN INSTALLMENTS AND CONDITIONED ON DEVELOPMENT OF ON-SITE AFFORDABLE HOUSING AND OTHER BENEFITS; AND ADOPTING CALIFORNIA ENVIRONMENTAL QUALITY ACT FINDINGS**

## EXECUTIVE SUMMARY

The City of Oakland (Hereinafter “The City”) recommends authorizing the City Administrator and/or their designee to negotiate and execute a purchase sale agreement with the African American Sports and Entertainment Group (AASEG) for The City’s undivided fifty-percent interest of real property at 7000 Coliseum Way, Oakland, CA.

The City owns a fifty percent (50%) undivided interest (the “City’s Interest”) in real property located at 7000 Coliseum Way, located in the City of Oakland, California (the “Property”)

City Council  
June 12, 2024  
File #: 24-0505

The Property is approximately 112 acres in size and abuts the Damon Slough Channel to the North and East, S. Elmhurst Creek Channel to the South and Coliseum Way and I-880 to the West, and consists of two parcels with improvements thereon including an arena (the “Arena”), a stadium (the “Coliseum”), parking areas and related structures, roadways, sidewalks, loading areas and other improvements (collectively, the “Coliseum Complex”)

It is essential to note that the proposal to dispose of the City’s interest in the Coliseum Complex reflects over a decade of work. This report highlights critical milestones and decades of legislative efforts to untangle a complex ownership structure involving the city, county, and private parties.

The City does not fully own the Coliseum Complex. As a result, the complexity of operating efficiently that maximizes the desired effects, such as tax revenue, job creation, and tourism, hinges on multi-lateral consensus of operations. For example, the other 50% interest of the property is being sold by the County to a private business. Thus, this property is already not quite "public land" as commonly understood. The unusual ownership structure of the Property has raised efficiency issues, impeding activation of the site due to complex multi-party approval rules for booking events and taking other actions for the site. Additionally, the complex ownership structure is also impeding long-term development.

The sale of the Property can bring multiple benefits, including helping provide a different ownership structure to support activation, events, and development. The overall intent, decades in the making, is to revitalize, develop, and redevelop the property, for example, constructing new housing, both affordable and market-rate, launching mixed-use commercial spaces, encouraging new activations that benefit neighboring residents, and streamlining event planning.

The proposed minimum terms to enter into the purchase and sale agreement are: (a) a purchase price in the amount of One Hundred Five Million Dollars (\$105,000,000) of which at least Sixty Million Dollars (\$60,000,000) will be paid in Fiscal Year 2024-2025; (b) close of escrow for the purchase and sale of the City’s Interest (“Closing”) shall not occur until the Bond Debt related to the Coliseum is paid in full; (c) a deed restriction requiring at least twenty-five percent (25%) of any residential units built on the Coliseum Complex in the future be designated affordable up to sixty percent (60%) of Area Median Income (“AMI”) with at least ten percent (10%) affordable to households earning up to thirty percent (30%) of AMI; and (d) a deed restriction requiring the City and Developer to negotiate in good faith a bundle of community benefits, including but not limited to, labor agreements and labor peace; local and small business contracting goals; workforce training and local employment provisions; living wage; public open space and parks; sustainable and green development standards; transportation infrastructure and transportation demand management programs including transit affordability and accessibility; anti-displacement and housing preservation policies; City participation in profit-sharing; and other community benefits.



### **BACKGROUND / LEGISLATIVE HISTORY**

The City and County established the Oakland-Alameda County Coliseum Authority (“JPA”) to hold a ground lease on the Property and manage the Property on behalf of the City and the County. On June 25, 2012, the JPA and AEG Management entered into a Coliseum Complex Management Agreement to provide management services for the Property.

The Coliseum and the Arena both have outstanding lease revenue bond debt (“Bond Debt”) existing from bond issuances for Property renovations and improvements. The City’s share of the current outstanding Bond Debt related to the Coliseum is approximately Twelve Million Eight Hundred Five Thousand One Hundred Twenty-Five Dollars (\$12,805,125) and is scheduled to be fully defeased by June 30, 2025, and the City’s share of the existing outstanding Bond Debt related to the Arena is approximately Twelve Million Eight Hundred Seventy-One Thousand Two Hundred Fifty-Eight Dollars (\$12,871,258) and is scheduled to be fully defeased by June 30, 2026.

The City, the Mayor’s office, and the City’s Council have diligently pursued official actions through legislation, such as making recommendations and receiving reports regarding the development and revitalization of the Oakland Coliseum Site.

On March 31, 2015, pursuant to Resolution No. 85491 C.M.S., the City Council certified the Environmental Impact Report, made California Environmental Quality Act (“CEQA”) findings,

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and adopted the Coliseum Area Specific Plan, which included related General Plan amendments (the “Specific Plan”). The Property falls within the boundaries of the Specific Plan.

For example, [the Specific Plan](#)<sup>2</sup> adopted in 2015 was the culmination of years of analysis conducted by city staff, outside consultants, and community stakeholders. The Specific Plan provided a detailed guide to maximize efficient utilization of the existing infrastructure, recommended improvements to the existing infrastructure, and recommended new infrastructure and mixed-use development.



Further, the Specific Plan highlighted the distinctive features of the coliseum area, such as “unique level of transit facilities and service, including the Coliseum BART station, the Amtrak Capitol Corridor Coliseum Station, and AC Transit bus service, as well as access from two I-880 freeway interchanges.” (Oakland 2015). The distinctive characteristics of the site illustrate its desirability and why the City, as well as parties from the private sector, have pursued or proposed plans for decades. The groundwork for selling the City’s interest in the Coliseum is the action described in the Specific Plan, which spurs the development and redevelopment described in the Specific Plan and has culminated for years.

In a 2019 [opinion piece](#)<sup>3</sup> Published in *The Oakland Post*, Councilmember Rebecca Kaplan responded to months of public comments from organizations and community leaders about the future of the Coliseum site. She addressed the possibility of the site's development with or without professional sports tenants and the potential for mixed-use development. Echoing notions similar to the recommendations found in The Specific Plan, Kaplan described the site as “This large, well-located expanse of public land can and should be used to provide development that benefits the community in multiple ways” (Kaplan, *The Oakland Post* 2019). Further, Kaplan recommends that any site development include expansive affordable housing and mixed-

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<sup>2</sup> <https://cao-94612.s3.us-west-2.amazonaws.com/documents/Final-Plan.pdf>

<sup>3</sup> <https://www.postnewsgroup.com/opinion-a-vision-for-the-future-of-the-coliseum-area/>

use commercial space; furthermore, “Quality jobs for the local community – Oakland residents – including opportunities in construction, and incorporating existing workforce from Coliseum/Arena such as concessions, security, etc. Local hiring, equity, and quality standards policies for jobs.” The full article can be found at the end of this memo. The recommended action in this ordinance incorporates the recommendations found in the Specific Plan and extensive community input.

Pursuant to the California Surplus Lands Act (Government Code Sections 54220-54234) (“SLA”), the City issued a 60-day Notice of Availability on December 3, 2019, and received only one letter of interest. During the 90-day good faith negotiation period, the City determined that the eligible entity was not interested in acquiring the City’s Interest. On January 21, 2020, the City Council adopted Resolution No. 88000 C.M.S., which ratified earlier actions and declared the City’s Interest as surplus land under the SLA and authorized the City Administrator’s issuance of a Notice of Availability to solicit development proposals for the disposition and development of the City’s Interest.

Further, this action followed recommendations for revitalizing the Coliseum site found in the Specific Plan. Furthermore, this step illustrated the City’s intent to sell its 50% undivided site share. According to the SLA, the declaration must follow the legislative process of the respective local agency. The Oakland City Council adopted the recommendation to declare the City’s interest in accordance with the SLA. .

On July 6, 2021, the City Council adopted [Resolution No. 88742 C.M.S.](#)<sup>4</sup>, which authorized the City Administrator to negotiate non-exclusively with (1) the African American Sports & Entertainment Group, LLC, a California limited liability company, (2) Tripp Development, (3) The Renaissance Companies or an affiliate, (4) Dave Stewart and Lonnie Murray, and (5) The Athletics Investment Group, LLC or an affiliate regarding the terms of the disposition of the City’s Interest.

Furthermore, [Resolution 88922](#)<sup>5</sup> directed the City Administrator to enter an Exclusive Negotiating Agreement (ENA) with AASEG. The resolution outlined the desired outcomes of the ENA. Expressing the importance of selling to parties that intend to revitalize and increase the professional opportunities at the Coliseum site and deeply investing in the lives of local residents, often members of underserved communities. The resolution states, “AASEG is an Oakland-based developer focused on creating economic opportunity for the Black community in East Oakland and using the Coliseum Complex as a vehicle for economic equity and social justice.”

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<sup>4</sup> <https://oakland.legistar.com/LegislationDetail.aspx?ID=4995271&GUID=37E3E381-A875-49E9-BC4D-94F76B4D63C0&Options=ID|Text|Search=88742>

<sup>5</sup> [City of Oakland - File #: 21-0855 \(legistar.com\)](#)



On December 17, 2021, the California Department of Housing and Community Development indicated that it had no significant concerns warranting a findings letter within its thirty (30)-day review period regarding the City’s compliance with the SLA.

On January 25, 2023, the City entered into that certain Exclusive Negotiation Agreement (7000 Coliseum Way – Coliseum Complex) with AASEG Land LLC, a Delaware limited liability company (“Developer”), which is an affiliate of AASEG (as amended by that certain First Amendment to Exclusive Negotiation Agreement (7000 Coliseum Way – Coliseum Complex) the “ENA”), to negotiate in good faith the terms of a purchase or sale of the City’s Interest pursuant to a disposition and development agreement (“DDA”) or a lease disposition and development agreement (“LDDA”).

The proposed ordinance results from over a decade of strategic action to maximize the site's fiscal opportunities and increase access to social mobility for residents in and around the site. The sale of the City’s 50% undivided interest in the Coliseum to AASEG demonstrates the commitment to realizing decades of legislation with an entity that aims to improve the lives of Oakland residents.

### **Fiscal Impact**

The sale of the property marks the beginning of a new era for the Coliseum Complex. By selling the City's interest to AASEG, the first step in moving away from a complex ownership structure will have been taken, paving the way for a trajectory of prosperity for both the private and public sectors. The buyer was selected after an extensive search, with strict criteria for the buyer, which, paramount to the selection, is a buyer with the proven intent to usher in a new, prosperous, and equitable chapter for the Coliseum Complex.

As the Specific Plan notes, the site aims to create beneficial fiscal outcomes that will reverberate throughout the neighboring community, particularly populations historically excluded from municipal decision-making and wealth-building opportunities. For example, AASEG intends to [“Utilize our development model as a catalyst to fully implement the Coliseum Specific Plan for the benefit of Oakland's most under-served communities in East Oakland.”](#)<sup>6</sup>

The mission of AASEG aligns with the values and desires of the City. Both parties intend to revitalize the area by investing in infrastructure that will increase the tax base of the Coliseum Complex. By investing in revitalizing and/or developing new structures, housing, and transit mechanisms, the Coliseum Complex will attract and sustain mixed-use development such as affordable housing, commercial space, gathering spaces, and transit-oriented development, all of which will increase tax revenue and revitalize space that would otherwise be underutilized.

## **ANALYSIS**

### ***Key Terms of the Purchase and Sale Agreement***

The proposed ordinance would terminate the ENA and authorize a sale of the Property by way of a purchase and sale agreement (“PSA”) to AASEG for \$105 million, with at least \$60 million to be paid during the City’s Fiscal Year 2024-2025. This would provide needed revenue for the midcycle budget that the City Council is currently considering, thereby avoiding painful cuts to public services. The ordinance would authorize the City Administrator to negotiate additional terms, such as a more detailed payment schedule, restrictions on transfers of the Property by AASEG, closing conditions, and standard terms such as indemnification. Most significantly, the Ordinance will require that the Property be sold subject to several deed restrictions that ensure any future development of the Property provides needed affordable housing and robust community benefits, as described further below.

- **Affordable Housing.** The affordable housing requirement would be memorialized in a permanent deed restriction requiring at least twenty-five percent (25%) of any residential units built on the Property in the future be designated as affordable for households earning up to 60 percent (60%) of Area Median Income (“AMI”), with at least ten percent (10%) being made available to households earning up to thirty percent (30%) of AMI. This will ensure any future development of the site includes supportive housing units.
- **Additional Community Benefits.** A requirement regarding community benefits would also be memorialized in a deed restriction requiring the City and Developer to negotiate

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<sup>6</sup> <https://www.aasegoakland.com/objectives>

in good faith a bundle of community benefits after the Closing, including but not limited to, labor agreements and labor peace; local and small business contracting goals; workforce training and local employment provisions; living wage; public open space and parks; sustainable and green development standards; transportation infrastructure and transportation demand management programs including transit affordability and accessibility; anti-displacement and housing preservation policies; City participation in profit-sharing; and other community benefits.

### **PUBLIC OUTREACH/INTEREST**

The At-Large Office received numerous letters of support from community-based organizations in and around the Coliseum area. This proposal is based on decades of legislation that in and of itself is based upon the thoughts and concerns of Oakland residents.

### **COORDINATION**

The At-Large Office, the office of the Mayor, The office of the City Attorney, The City Administrator Office, The City's Economic and Workforce Development Department, and various community-based organizations worked tirelessly to bring forth this proposal.

### **ACTION REQUESTED OF THE CITY COUNCIL**

**Councilmember Rebecca Kaplan and recommend adopting the following:**

**AN ORDINANCE AUTHORIZING THE CITY ADMINISTRATOR TO NEGOTIATE AND EXECUTE A PURCHASE AND SALE AGREEMENT WITH AASEG LAND LLC, A DELAWARE LIMITED LIABILITY COMPANY, OR ITS AFFILIATE, FOR THE SALE OF THE CITY OF OAKLAND'S UNDIVIDED 50 PERCENT INTEREST IN PROPERTY LOCATED AT 7000 COLISEUM WAY, OAKLAND, CALIFORNIA, FOR ONE HUNDRED FIVE MILLION DOLLARS (\$105,000,000) TO BE PAID IN INSTALLMENTS AND CONDITIONED ON DEVELOPMENT OF ON-SITE AFFORDABLE HOUSING AND OTHER BENEFITS; AND ADOPTING CALIFORNIA ENVIRONMENTAL QUALITY ACT FINDINGS**



For questions regarding this report, please get in touch with Michael Alvarenga, Legislative Analyst, at [malvarenga@oaklandca.gov](mailto:malvarenga@oaklandca.gov)

Respectfully submitted,



Councilmember Kaplan  
At-Large District

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Reviewed by:

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Office of Councilmember Rebecca Kaplan

**Opinion: A Vision For The Future of the Coliseum Area  
By Rebecca Kaplan. October 3, 2019. The Oakland Post**

*In recent months, there have been many important and valid concerns expressed regarding the future of the Coliseum Area which may include the Oakland A's. We hear what people do not want to see happen at the Coliseum. This includes wanting to avoid taxpayer funded giveaways and wanting to avoid loss of jobs, the location being abandoned and blighted, and finally the further erosion of our African American population, most of which has called East Oakland their home for decades.*

*As we look toward the future and work on these concerns, we thought it would be valuable to talk about what would be good to see happen at this site.*

*This large, well-located expanse of public land can and should be used to provide development that benefits the community in multiple ways. The Coliseum site, co-owned by the City of Oakland and the County of Alameda, provides a unique opportunity with about 200 acres that are on BART, have freeway access, easy airport connection, Amtrak, and great central location in the growing Bay Area.*

*We can, and should, work toward a future for the site that provides local benefits, including housing at all income levels, jobs, recreation and health, including for our youth, tax revenue and revitalization.*

*The future of this great site should ideally include:*

- A significant amount of new housing, at all income levels, including deed-restricted affordable housing, workforce housing, and ADA accessible housing.*
- Large-scale hotel and convention/conference facilities.*
- Maintain and use the Arena, including by seeking to bring a WNBA team and other uses. Arena can also be used in partnership with hotel/conference facilities to host large-scale events.*

- *Soccer options. Explore options to provide outdoor soccer fields. Be able to accommodate significant soccer tournaments and provide much-needed locations for our local youth teams etc., to practice and play. Outdoor soccer fields to be designed to be able to accommodate other uses when not in use for soccer.*
- *Retail, restaurants, bars, and entertainment. Snack stands, inside and outdoors.*
- *Improved and widened pedestrian access-way from BART, to make the welcoming experience pleasant and easy to cross, without requiring people to go downstairs and back up, no chain link, well-lit and attractive, and with access to shops and food and more.*
- *Quality jobs for the local community – Oakland residents – including opportunities in construction, and incorporating existing workforce from Coliseum/Arena such as concessions, security, etc. Local hiring, equity, and quality standards policies for jobs.*
- *Local/small business involvement and opportunity, opportunity for local/small businesses to participate in the new development at the site.*
- *Protections from displacement for existing surrounding local residents and local businesses.*
- *Option for inclusion of City of Oakland and Alameda County public needs such as a police administration building.*
- *Secure bike parking/valet.*
- *Utilize existing approved Plan/EIR, so development can move forward more easily and quickly.*
- *And, for the sake of public trust, to avoid problems with the project, and to ensure a fair and transparent process, we should start the process of issuing notification of the availability of the land for opportunities.*