



AGENDA REPORT

TO: Edward D. Reiskin
City Administrator

FROM: Elizabeth Lake
Interim Assistant City
Administrator

SUBJECT: Coliseum Non-Exclusive Negotiations

DATE: June 21, 2021

City Administrator Approval

Date: Jun 24, 2021

RECOMMENDATION

Staff Recommends That The City Council Adopt A Resolution Authorizing The City Administrator To Negotiate, Non-Exclusively, With The 1) African American Sports And Entertainment Group; 2) Tripp Development; 3) The Renaissance Companies; 4) Dave Stewart And Lonnie Murray; And 5) The Athletics Investment Group LLC, Regarding The Terms Of Disposition Of The City's Undivided 50 Percent Fee Interest In The Oakland-Alameda County Coliseum Complex Consisting Of Various Parcels Bounded By San Leandro Street, 66th Avenue, Hegenberger Road And Interstate 880.

EXECUTIVE SUMMARY

Staff is recommending that the City Council adopt a resolution authorizing the City Administrator to negotiate non-exclusively with all of the above referenced parties that have submitted proposals for the Oakland-Alameda County Coliseum Complex ("the Property"). This would allow staff to negotiate with all parties regarding price and terms for the City's 50 percent undivided interest in the Property. In addition, this will also provide staff the ability to brief City Council in Closed Session in the future regarding the ongoing real estate negotiations involving the parties and the Property.

BACKGROUND / LEGISLATIVE HISTORY

The subject Property is located at 7000 Coliseum Way (Council District 7), also known as the Oakland-Alameda County Coliseum Complex, which consists of approximately 112 acres (APN: 041-3901-008 & 041-3901-009) and is jointly owned by the City and the County.

The City has received unsolicited proposals from multiple parties regarding the City's 50 percent undivided fee interest in the Property. In the past, the City has entered into various Exclusive Negotiating Agreements (ENAs) and negotiated term sheets with various master developer teams for development of sports facilities and ancillary development on the Property. The primary goal has always been to explore ways to redevelop the Coliseum site and spur economic development in East Oakland.

City Council
July 6, 2021

Oakland Athletics:

In May 2018, pursuant to Resolution No. 87203 C.M.S., the City Council authorized staff to enter into exclusive negotiations with the Athletics Investment Group LLC (known as the "Oakland Athletics") regarding the Property. However, despite initial interest in the Coliseum site, the Oakland Athletics have stated their desire to build a new stadium at the Howard Terminal site at the Port of Oakland (Council District 3). As a result, the Port of Oakland ("the Port") authorized an ENA in April 2018 for the purposes of exploring the viability of the Howard Terminal site as a possible ballpark location. At the same time, the Oakland Athletics have also entered into a purchase and disposition agreement with Alameda County for its 50 percent undivided interest in the Coliseum site for \$85 million, in addition to paying the County's operational costs to run the facility. The Oakland Athletics currently have a license that provides them use of the Ring Central Coliseum and surrounding parking for baseball until December 31, 2024.

In addition to the Oakland Athletics, the City has received unsolicited letters of interest from other various interested parties, including the African American Sports and Entertainment Group, Tripp Development, Dave Stewart and Lonnie Murray, and The Renaissance Companies. More information about each entity is provided below.

African American Sports and Entertainment Group:

The African American Sports and Entertainment Group (AASEG) is led by a team of national and local Black business leaders including Ray Bobbitt, the founder of AASEG; BDA Sports Management, led by local professional sports agent Bill Duffy; Loop Capital, the largest African American-owned, full services investment banking brokerage, financial advisory and investment management organization; 360 Total Concept, a local management and consulting firm led by CEO and founder Shonda Scott; Strategic Urban Development Alliance, led by Oakland native and managing partner Alan Dones; LA Jones & Associates, a local marketing and public relations and events firm; and Oakland's former City Manager Robert Bobb.

Tripp Development:

Tripp Development's leadership includes Rick Tripp, a California-based real estate developer; former executive vice president Jim Bailey of the Cleveland Browns and Baltimore Ravens National Football League franchises; and William Miller of William Miller Associates, an investment strategy and management firm.

Dave Stewart and Lonnie Murray:

Dave Stewart and Lonnie Murray is managed by Dave Stewart, Lonnie Murray, HKS Architects and LOGE Capital Partners. Former Oakland Athletics' pitcher Dave Stewart spent 16 years in Major League Baseball (MLB), was a former MLB front office executive and is a current analyst and sports commentator for NBC Bay Area. The team also includes Lonnie Murray, who is the owner of Sports Management Partners and is the first and only African American female Player Agent certified by the MLB Player's Association. HKS Architects is a global firm of architects and designers with a large portfolio of sports and entertainment projects; and LOGE Capital

Partners provides development, investment and strategic advisory services to sports and mixed-use projects.

The Renaissance Companies:

Led by Floyd Kephart and based in Southern California, The Renaissance Companies is an advisor to private equity, financial institutions, investors, and hedge funds. Since 1987, the firm specializes in providing comprehensive, single-source solutions for corporations, institutions and private equity investors seeking operating efficiencies, financial structures to complex transactions, and financial sources.

In the interest of maintaining transparent, fair and equitable ongoing negotiations, staff recommends entering into non-exclusive negotiations with all the above referenced parties in order to continue advancing the future disposition of the City's 50 percent undivided interest in the Property.

ANALYSIS AND POLICY ALTERNATIVES

The Property has the potential to transform into a new local and regional destination featuring entertainment, commercial, residential and retail mixed-use development. It is centrally located in the East Bay and has many highly sought-after amenities including direct transportation access to the Interstate-880 freeway, Bay Area Rapid Transit (BART), Amtrak Capitol Corridor, Oakland Airport Connector, Oakland International Airport, waterfront views and surrounding development opportunities.

As a regional sport, entertainment, and employment center and destination, the Property could generate thousands of high-quality/paying jobs in growth industries such as biotechnology, life sciences, research and development, multimedia, green tech and other industries. It has the potential to become a major economic catalyst for the City and the region, beyond the current sports franchises. Realization of a new development on the Property is dependent upon additional due diligence feasibility analysis by the various parties, including financing options for various components. The City may eventually require the various parties to provide additional information and submittals during the negotiations to further evaluate the proposals. In addition, the City will want to ensure that each proposal lists and includes community benefits for the area in connection with the Property. The preliminary list of community benefits topics, which shall be subject to an equity analysis, include, but is not limited to, the following:

- Project labor agreement and labor peace
- Local employment and job access provisions, including workforce training, retention of existing workers, and apprenticeship policies
- Living wages, benefits and stable employment opportunities
- Local business and small business contracting policies
- Environmental mitigation measures
- Open space elements
- Sustainable and healthy development measures benefiting the surrounding community

- Transportation infrastructure and transportation demand management programs, including transit affordability and accessibility
- Affordable housing development, including, potentially, funding for housing preservation and anti-displacement protections
- Other community benefits to be negotiated as needed and feasible

The outcome of the negotiations over community benefits will be reflected in any proposal ultimately selected by the City.

FISCAL IMPACT

Aside from standard administrative costs, there are no fiscal impacts to the City for entering into non-exclusive negotiations with the various parties as described in this report. However, in order to cover minimal staff and third-party expenses related to this project, the City will eventually require a non-refundable fee for entering into an exclusive negotiations agreement.

PUBLIC OUTREACH / INTEREST

The party ultimately selected will be required to conduct numerous outreach meetings with a variety of community organizations, neighborhood groups, and business groups as well as outside agencies including but not limited to BART, the Port of Oakland, the Coliseum Joint Powers Authority (JPA) and the County of Alameda. The Property is in the former Coliseum redevelopment project area and the initial Coliseum Area Redevelopment Plan was originally adopted in 1995 and has been updated every five years with extensive community outreach and input. The Coliseum Area Specific Plan and California Environmental Quality Act/Environmental Impact Report (CEQA/EIR) process included input from many stakeholders as well as from nearly three dozen community and public meetings held throughout the process.

COORDINATION

The City Administrator's Office has coordinated efforts with staff from the Office of Economic and Workforce Development, the City Attorney's Office and Budget Bureau.

SUSTAINABLE OPPORTUNITIES

Economic: Potential redevelopment of the Coliseum site could have substantial economic regional impacts which can be characterized in terms of net direct spending, total output, income and jobs. In addition, development of the Property could have tremendous positive fiscal impacts which can be measured in both City and County tax revenue increases including property taxes, sales taxes, business taxes, etc.

Environmental: A new mixed-use development at the Coliseum could ultimately contribute to and enhance smart growth principles, would leverage existing multi-modal transportation amenities and would be consistent with regional growth policies and state growth mandates set

forth in Senate Bill 375 and Assembly Bill 32. The Coliseum site would also have the potential of being a new regional transit-oriented destination with a mix of housing, entertainment, office, retail and commercial uses utilizing the Coliseum's extensive mass transit network and thereby reducing the need for automobile reliance.

Race & Equity: This report and its requested actions do not directly provide any specific sustainable race and equity opportunities. The East Oakland neighborhood surrounding the Coliseum has long been attributed with social and economic equity issues and has been historically underserved. Eventually, a new mixed-use development at the Coliseum would ultimately provide positive economic stimulus to the neighborhood by preserving and creating additional local job opportunities and would contribute to continued neighborhood job growth and economic stability.

ACTION REQUESTED OF THE CITY COUNCIL

Staff Recommends That The City Council Adopt A Resolution Authorizing The City Administrator, To Negotiate, Non-Exclusively, With The 1) African American Sports And Entertainment Group; 2) Tripp Development; 3) The Renaissance Companies; 4) Dave Stewart and Lonnie Murray; And 5) The Athletics Investment Group LLC, Regarding The Terms Of Disposition Of The City's Undivided 50 Percent Fee Interest In The Oakland-Alameda County Coliseum Complex Consisting Of Various Parcels Bounded By San Leandro Street, 66th Avenue, Hegenberger Road and Interstate 880.

For questions regarding this report, please contact Larry Gallegos, Development/Redevelopment Program Manager at (510) 238-6174.

Respectfully submitted,

Elizabeth Lake

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City Administrator's Office

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