

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

FILED
OFFICE OF THE CITY CLERK
OAKLAND

2009 JUL -9 PM 7:17

TO: Office of the Agency Administrator
ATTN: Dan Lindheim
FROM: Community and Economic Development Agency
DATE: July 14, 2009

RE: A Supplemental Report regarding the Resolution Authorizing the Agency Administrator to Negotiate and Enter into an Exclusive Negotiating Agreement for a Term of 360 Days from Agency Approval, Between the Oakland Redevelopment Agency and AMB Property Corporation / California Capital Group Regarding a Proposed Development of a Mixed-Use Project Consisting of Logistics, Industrial, Office, Project-Serving Retail and Other Uses Mandated by the Agency on Up to 135 Acres of the Former Oakland Army Base

SUMMARY

This Supplemental Report expresses the Mayor's and staff's support for the Interview Panel's recommendation to enter into an Exclusive Negotiation Agreement (ENA) between the Redevelopment Agency and AMB Property Corporation/California Capital Group (AMB/CCG) for the development of the former Oakland Army Base.

Mayor's Deliberations

The staff report prepared for the July 14, 2009 Community and Economic Development Committee details the process and outcome of an extensive master developer review and recommendation process. The Mayor received a thorough briefing on this process and fully vetted the merits of the conceptual proposals submitted by AMB/CCG and Federal Oakland Associates (FOA), as well as variations on these development options prepared specifically to determine if the complex number of uses might be effectively integrated on the City's Army Base property. He engaged in extensive deliberations with staff to determine the negotiation strategy that might result with either developer to ensure that the density and quality of development were maximized and degree of risk minimized in the exclusive negotiation period.

With that background work complete, the Mayor concurred with the Interview Panel's recommendation for the Redevelopment Agency to enter into an ENA with AMB/CCG for master development of the former Oakland Army Base.

Development Considerations

The Mayor's deliberations brought to the fore the fundamental approach and priorities that he and staff believe should guide the ENA process and subsequent development of each phase of the Army Base project.

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A partnership with a world-class developer such as AMB Property Corporation, combined with the Port of Oakland's new partnership with Ports America, offers Oakland access to new sources of capital that enable a realistic approach to base renewal. It is essential that the City align its efforts with the Port of Oakland in a unified vision to maintain and strengthen Oakland's place as a world-class port serving the local region, middle America and the entire nation. The Mayor believes that a strong public private partnership with AMB/CCG positions the City and Port to attract the investment capital needed to develop the entire Base over the long term.

The Army Base is the largest assemblage of land Oakland has for potential industrial development. The primary goal of all former military base reuse plans is to create new jobs in place of the thousands of jobs lost with the closure of military bases. The Mayor and staff believe that the best reuse strategy for the former Army Base should support Port growth and operations and create a robust new industrial district in Oakland. The Mayor and staff want to ensure that development of each phase of the project offers the greatest degree of density possible to take advantage of this unique opportunity to turn the former Oakland Army Base into an economic engine for the City.

The ENA period is the opportunity to ensure that the final development plans address all of the City's priorities. The Army Base project should be a model for sustainable development and incorporate current standards for green design, construction and subsequent operations.

Recognizing that the ENA period is the time to ensure that the outcome will benefit the City, the Port, the community, and the developers, staff recommends that the Agency not relinquish site control of any area of the Army Base until assurances are in place that final site plans meet the City's goals and priorities, and that the selected developer has the capacity and resources to fulfill City's development requirements.

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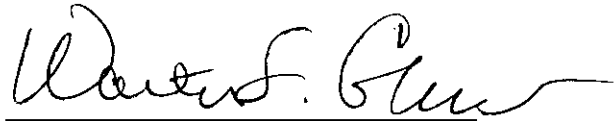
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RECOMMENDATION

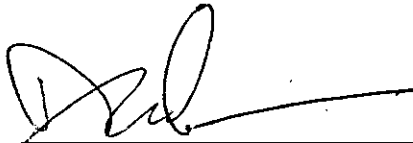
The Mayor endorses the Interview Panel's recommendation for the Agency to enter into an ENA with AMB/CCG for the master development of the former Oakland Army Base, and asks the City Council to approve these recommendations.

Respectfully submitted,



Walter S. Cohen, Director
Community and Economic Development Agency

APPROVED AND FORWARDED TO THE
COMMUNITY AND ECONOMIC DEVELOPMENT COMMITTEE:



Office of the Agency Administrator

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