

CITY OF OAKLAND
Agenda Report

TO: Office of City Manager
ATTN: Deborah Edgerly
FROM: Community and Economic Development Agency
DATE: April 20, 2004

RE: AN ORDINANCE AUTHORIZING THE CITY MANAGER TO ENTER INTO A PURCHASE AND SALE AGREEMENT WITH EMILY RAY TRUSTEE FOR THE EMILY RAY TRUST OF 1992 FOR THE CITY'S ACQUISITION OF REAL PROPERTY LOCATED AT 7318 INTERNATIONAL BOULEVARD, OAKLAND, CALIFORNIA, IN THE AMOUNT OF \$391,105, EXCLUDING CLOSING COSTS

SUMMARY

An Ordinance has been prepared authorizing the City Manager, or her designee, to enter into a Purchase and Sale Agreement with Emily Ray Trustee for the Emily Ray Trust of 1992 (Owner) for the City's acquisition of the property located at 7318 International Boulevard, Oakland, California (Property), which is required for the International Boulevard Streetscape Project (Project). The Project is designed to create a positive identity for East Oakland by removing the appearance of blight and establishing a streetscape framework to support revitalization.

The City of Oakland (City) is undertaking the redesign of this major transit connection with emphasis on neighborhood commercial revitalization. The acquisition of this Property is consistent with the overall objective of the City's revitalization of International Boulevard.

Staff recommends adoption of this Ordinance that authorizes the City Manager to enter into a Purchase and Sale Agreement for the Property from the Owner for \$391,105.00, excluding closing costs. Adoption of this Ordinance satisfies Mayor and City Council Priority Goal #2 (Develop a Sustainable City) and Goal #3 (Improve Oakland Neighborhoods).

FISCAL IMPACT

The Owner and the City were unable to agree on a purchase price for the Property. The Owner threatened to sue the City for inverse condemnation and other causes of action. Pursuant to a separate concurrent City resolution, the City has agreed to settle the matter by paying the Owner \$391,105.00 for the Property. Funding for the City's acquisition of the Property is available in the International Boulevard/MacArthur Street Improvement Project, which is in Fund 5500, Org. 92242, Account 57111, Project Number C167620.

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BACKGROUND

This location is one of the four target areas designated by urban design findings that is economically distressed and has the appearance of blight. The International Boulevard Streetscape Project appears in the Five Year Capital Improvement Program (CIP 2002/07). Resolution #2003-52 and Resolution #77944 consenting and appropriating Redevelopment Agency Funding for the International Boulevard Streetscape Project were approved on July 15, 2003. The Project will consist of a transit plaza at the northeast corner of the intersection of International Boulevard & 73rd Avenue. Four bus stops are adjacent to this intersection. The construction of the transit plaza will require land acquisition and the removal of several large billboards.

The City needs to acquire the Property to proceed with its plans for the International Blvd. Streetscape Project. The City will be acquiring the Property subject to rights, if any, related to an existing outdoor advertising sign on the Property.

KEY ISSUES AND IMPACTS

If the City does not acquire the Property by voluntary negotiations, it will likely delay the streetscape project for several years.

SUSTAINABLE OPPORTUNITIES

- Economic:** The Project is designed to create a positive identity for East Oakland by removing the appearance of blight and establishing a streetscape framework to support revitalization.
- Environmental:** The investments in streetscape improvements will be of benefit in attracting more shoppers to the area and encouraging further investment and development by creating a pedestrian friendly environment.
- Social Equity:** This streetscape improvement project will improve safety, security and the physical appearance of the area, and mitigate negative environmental impacts on the community as well as invest in the physical development of an economic disadvantaged community.

DISABILITIES AND SENIOR CITIZEN ACCESS

Approval of this Ordinance will have no direct impact on disabled and senior citizen access. However, when the public improvements are constructed they will be required to meet both state and local provisions that will ensure equal access, such as sidewalks and ramps for disabled citizens and senior citizens.

ACTION REQUESTED OF THE CITY COUNCIL

Staff recommends adoption of this Ordinance that authorizes the City Manager, or her designee, to enter into a Purchase and Sale Agreement for the City's acquisition of the Property from the Owner for \$391,105.00, excluding closing costs.

Respectfully submitted,



Daniel Vanderprie
Redevelopment, Economic Development
and Housing Director

Prepared by:
Frank Fanelli, Manager
Real Estate Services

APPROVED FOR FORWARDING TO THE
CITY COUNCIL



OFFICE OF THE CITY MANAGER

INTRODUCED BY COUNCIL MEMBER _____

APPROVED AS TO FORM AND LEGALITY

CITY ATTORNEY

ORDINANCE NO. _____ C. M. S.

AN ORDINANCE AUTHORIZING THE CITY MANAGER TO ENTER INTO A PURCHASE AND SALE AGREEMENT WITH EMILY RAY TRUSTEE FOR THE EMILY RAY TRUST OF 1992 FOR THE CITY'S ACQUISITION OF REAL PROPERTY LOCATED AT 7318 INTERNATIONAL BOULEVARD, OAKLAND, CALIFORNIA, IN THE AMOUNT OF \$391,105, EXCLUDING CLOSING COSTS

WHEREAS, the City of Oakland's International Boulevard Streetscape Project appears in the Five Year Capital Improvement Program CIP 2002/07 and will consist of a decorative metal fence, new sidewalk, curbs and groundcover along with a landmark monument feature that will be installed on the corner of International Boulevard, and the installation of new street trees and pedestrian scale streetlights to supplement the existing streetlights; and

WHEREAS, the International Boulevard Streetscape Project requires the acquisition of the property located at 7318 International Boulevard, as shown in Exhibit "A" attached hereto (the "Property"); and

WHEREAS, the Emily Ray Trust of 1992 ("Owner") is the owner of the Property; and

WHEREAS, the Owner rejected as inadequate the amount that the City offered to purchase the Property, and threatened to sue the City for inverse condemnation and other causes of action; and

WHEREAS, by a City resolution adopted concurrently herewith, the City has agreed to settle the dispute with the Owner by paying the Owner \$391,105.00 to purchase the Property, (subject to existing rights, if any, related to an existing advertising sign on the Property) to avoid threatened litigation that could expose the City to unknown liability and attorney fees; and

WHEREAS, the funding for the acquisition of the Property is available in the International Boulevard/MacArthur Street Improvement Project (Fund 5500, Org. 92242, Account 57111, Project Number C167620; and

WHEREAS, the City is the Lead Agency for this sale for purpose of environmental review under the California Environmental Quality Act of 1970 ("CEQA"); and

WHEREAS, the requirements of CEQA, the CEQA Guidelines as prescribed by the Secretary for Resources, and the provisions of the Environmental Review Regulations of the City of Oakland have been met because under CEQA section 15300, the project is consistent with a Class 1 Categorical Exemption, as supported by the finding that project does not have a significant effect on the environment.

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CRA/COUNCIL

APR 20 2004

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

SECTION 1. The City Manager, or her designee, is authorized to enter into a Purchase and Sale Agreement for the City's purchase of the Property, the legal description of which is set forth in Exhibit "A"; attached hereto and incorporated herein, from the Emily Ray Trust of 1992 in the amount of \$391,105.00, excluding closing costs.

SECTION 2. The City hereby approves and appropriates funds for the acquisition of the Property and closing costs from Fund 5500, Org. 92242, Account 57111, Project Number C167620.

SECTION 3. The Manager of Real Estate Services or such other City Manager designee, as the City Manager may determine, is hereby authorized to execute a Purchase and Sale Agreement, and to take all actions as may be required to carry out the intent of terms of this Ordinance.

SECTION 4. All documents shall be approved as to form and legality by the City Attorney's Office.

SECTION 5. This Ordinance shall take effect immediately upon its passage.

IN COUNCIL, OAKLAND, CALIFORNIA, _____, 2004
PASSED BY THE FOLLOWING VOTE:

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

NOES-

ABSENT-

ABSTENTION-

ATTEST: _____

CEDA FLOYD

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

EXHIBIT "A"

Lot 3, as said lot is shown on the Map entitled, "Map of the Searles Tract, Brooklyn, Tp., Alameda Co., Cal." filed April 16, 1891, in Book 10 of Maps, at Page 75, in the office of the County Recorder of Alameda County.

Assessor's Parcel No: 040-3317-032

DM

NOTICE AND DIGEST

AN ORDINANCE AUTHORIZING THE CITY MANAGER TO ENTER INTO A PURCHASE AND SALE AGREEMENT WITH EMILY RAY, TRUSTEE FOR THE EMILY RAY TRUST OF 1992, FOR THE CITY'S ACQUISITION OF REAL PROPERTY LOCATED AT 7318 INTERNATIONAL BOULEVARD, OAKLAND, CALIFORNIA, IN THE AMOUNT OF \$391,105, EXCLUDING CLOSING COSTS

An Ordinance has been prepared authorizing the City Manager, or her designee, to enter into a Purchase and Sale Agreement with Emily Ray Trustee for the Emily Ray Trust of 1992 to allow the City to acquire the property located at 7318 International Boulevard, Oakland, California, that is required for the International Boulevard Streetscape Project.

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CITY COUNCIL
APR 20 2004



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ONE FRANK H. OGAWA PLAZA • 6TH FLOOR • OAKLAND, CALIFORNIA 94612

Office of the City Attorney
John A. Russo
City Attorney

(510) 238-3601
FAX: (510) 238-6500
TDD: (510) 839-6451

April 20, 2004

HONORABLE CITY COUNCIL
Oakland, California


Subject: City's Acquisition of 7318 International Blvd. owned by the Emily Ray Trust.

President De La Fuente and Members of the City Council:

Pursuant to §401 of the Charter, and the action of the Council at its April 6, 2004 closed session, the City Attorney has prepared and requests your approval of a resolution authorizing compromise and settlement of the above-entitled matter in the sum of Three Hundred Ninety One Thousand, One Hundred Five Dollars (\$391,105.00), not including closing costs, payable to Emily Ray, Trustee of the Emily Ray Trust of 1992.

This matter arises out of the City's acquisition of the property owned by the Emily Ray Trust at 7318 International Blvd., Oakland for the International Blvd. Streetscape Project. The property owner disputes the amount the City offered for the property, and threatened litigation for inverse condemnation and other causes of action. Settlement is recommended to avoid exposure to an adverse verdict in excess of the settlement amount.

Respectfully submitted,

for 
JOHN A. RUSSO
City Attorney

Attorney assigned: Dianne M. Millner

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CITY COUNCIL
APR 20 2004

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OAKLAND CITY COUNCIL

RESOLUTION NO. _____ C.M.S.

RESOLUTION AUTHORIZING AND DIRECTING THE CITY ATTORNEY TO COMPROMISE AND SETTLE THE AMOUNT THE CITY MUST PAY FOR ACQUISITION OF THE PROPERTY OWNED BY THE EMILY RAY TRUST AT 7318 INTERNATIONAL BLVD., CITY ATTORNEY FILE NO A030087, IN THE AMOUNT OF \$391,105.00, NOT INCLUDING CLOSING COSTS, IN CONNECTION WITH THE INTERNATIONAL BLVD. STREETScape PROJECT

RESOLVED: That the City Attorney is authorized and directed to compromise and settle the amount the City must pay for acquisition of the property owned by the Emily Ray Trust at 7318 International Blvd., City Attorney file no A030087, in the amount of \$391,105.00, not including closing costs, in connection with the International Blvd. Streetscape Project, payable to Emily Ray, Trustee of the Emily Ray Trust of 1992, and be it

FURTHER RESOLVED: That the sum of Three Thousand Ninety One Thousand, One Hundred and Five Dollars (\$391,105.00), be paid to Emily Ray, Trustee of the Emily Ray Trust of 1992 for the City's acquisition of 7318 International Blvd., Oakland, pursuant to a City ordinance adopted concurrently herewith; and be it

FURTHER RESOLVED: That the City Attorney is further authorized and directed to take whatever steps may be necessary to effect said settlement.

IN COUNCIL, OAKLAND, CALIFORNIA, _____, 2004

PASSED BY THE FOLLOWING VOTE:

- AYES- BROOKS, BRUNNER, CHANG, NADEL, REID, QUAN, WAN and President DE LA FUENTE
- NOES-
- ABSENT-
- ABSTENTION-

ATTEST: _____
CEDA FLOYD
City Clerk and Clerk of the Council
of the City of Oakland, California

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CITY COUNCIL
APR 20 2004