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OAKLAND

2015 MAR 13 PM 10:35

# AGENDA REPORT

**TO:** JOHN A. FLORES  
INTERIM CITY ADMINISTRATOR

**FROM:** Mark Sawicki

**SUBJECT:** Coliseum Complex Three-Party ENA

**DATE:** March 12, 2015

City Administrator  
Approval

Date

3-13-15

**COUNCIL DISTRICT: # 7**

## RECOMMENDATION

Staff recommends that the City Council adopt:

**A Resolution Authorizing an Exclusive Negotiating Agreement With the County of Alameda and New City Development LLC For Development of a Project at the Oakland-Alameda County Coliseum Complex and Adjacent City Property.**

## EXECUTIVE SUMMARY

Staff is recommending that Council adopt a resolution authorizing the City Administrator to negotiate and execute a three-party Exclusive Negotiating Agreement (“ENA”) for a development project at the Oakland-Alameda County Coliseum Complex and adjacent City property with The County of Alameda (“County”) and New City Development LLC (“Developer”). The ENA period would be for six months, with a six-month option to extend on the part of the City and County. The ENA will allow for the Developer to conduct further market analysis and propose a series of equity public/private finance deal structures, as well as continue with on-going negotiations over possible development of the Coliseum Complex and the City property with a new Oakland Raiders stadium and a new Oakland Athletics ballpark, along with related parking facilities, as well as other commercial and residential development. The ENA will require certain deliverables and project tasks from the Developer during the ENA period. *(See Attachment A)*

## OUTCOME

Authorization of the resolution will allow the City Administrator to enter into an ENA with the County and the Developer for six months which will allow the Developer an exclusive right to complete additional financial analyses, propose a series of new equity public/private deal structures and continue with on-going sports team/league negotiations.

Item: 10  
CED Committee  
October 8, 2013

March 24, 2015

## **BACKGROUND/LEGISLATIVE HISTORY**

In March 2012, the City entered into an ENA with JRDV Urban International, HKS and Forest City Development, pursuant to Oakland City Council Resolution No. 83746 C.M.S. The purpose of the previous ENA was to conduct a Master Plan vision for the entire 800-acre Coliseum Specific Plan Area, including the land immediately surrounding the existing Oakland-Alameda County Coliseum Complex. In the most recent amendments to that ENA, New City Development LLC was designated as the development team's lead. That ENA expires on the earlier of April 21, 2015, or when a new ENA is executed.

The properties included under the new proposed ENA are the approximately 112-acre Oakland-Alameda County Coliseum Complex, as well as the 8.5-acre parcel commonly known as the former Malibu Grand Prix site, both of which are jointly owned by the City and the County. In addition, the City individually owns and will include in the ENA area approximately 30+ acres of former Redevelopment Agency parcels that currently surround the Coliseum Complex. (*See Attachment B*)

Two major steps towards the development of the Coliseum Complex are set for consideration of approval in the month of March. First, the Coliseum City Specific Plan and EIR, having been approved by the Planning Commission on March 11<sup>th</sup>, are also scheduled for consideration by the Community and Economic Development Committee on March 24<sup>th</sup> and City Council on March 31<sup>st</sup>. Second, the County is also preparing to have its Board of Supervisors consider approval of the three-party ENA. The parties are now organized in a manner necessary for the project to progress towards one or more Lease Disposition and Development Agreements ("LDDA") or Disposition and Development Agreements ("DDA"), which would enable one, two or three of the existing sports franchises to remain at new facilities, while also enabling a portion of the site to realize the economic development goals embodied in the Coliseum City Specific Plan.

## **ANALYSIS**

### *New City Development, LLC*

New City Development, LLC is the master developer entity, and is run by Floyd Kephart, its manager. Floyd Kephart is Chairman of the Board for the Renaissance Companies and also serves as Chairman of the Board for Metis Financial Network. The Renaissance Companies is a private advisory company to private equity, financial institutions, investors and hedge funds. Mr. Kephart has worked on major corporate financial structuring and marketing projects with over 50 major clients including: Columbia/HCA, Sony, Sega, Chrysler, Volkswagen, NBC, ABC, Radio City Music Hall, and the NFL (Super Bowl).

Staff has already commenced its initial due diligence and now along with County staff, will continue to conduct its due diligence throughout the proposed extended negotiation period. In

Item: \_\_\_\_\_  
CED Committee  
March 24, 2015

addition, management and executive level staff, as well key elected officials, have already had multiple meetings with New City Development, as well as with County representatives regarding the proposed project.

While the ENA generally provides for City/County negotiations exclusively with New City Development, the draft agreement expressly reserves the right for the City and County to continue to entertain proposals from and otherwise negotiate with the sports teams, leagues and their representatives, irrespective of negotiations with New City Development.

### Coliseum City

Coliseum City seeks to transform the area including and surrounding the Oakland-Alameda County Coliseum Complex into a world-class sports, entertainment and science and technology district that boasts a dynamic and active urban setting with retail, entertainment, arts, culture and live-work uses. The area is centrally located in the East Bay, and has many highly-sought after development assets, including direct freeway access, immediate Coliseum BART and Amtrak access, Oakland Airport Connector and Oakland International Airport access and waterfront views.

As a regional mixed use entertainment destination center, Coliseum City would become a major economic catalyst for the City and the region, beyond the current sports franchises and could generate thousands of high-quality/high-paying jobs in growth industries such as biotechnology, life sciences, research and development, multimedia, green tech and other growth sectors.

Since the Coliseum City Master Plan concept was released, the City has been preparing a separate CEQA/Environmental Impact Report (EIR) and Specific Plan. The Coliseum City Specific Plan envisions up to three new sports venues including separate football, baseball and basketball venues totaling nearly 1.7 million square feet of building space with 131,000 seats, just over 14 million square feet of science and technology, office, light industrial, logistics and retail space, and up to 6,000 new residential units. This represents an increase of approximately 8.0 million square feet of new building space within the Plan area. It also includes the potential for up to 40 acres of new, publically-accessible open space, restoration and naturalization of the Damon Slough and new pedestrian amenities and connections to the Oakland Estuary and waterfront.

The Specific Plan is intended to provide numerous development scenarios for implementing the Coliseum City project, which can accommodate up to three new venues for the City's professional sports teams. The plan is also intended to serve as a 25 year planning document that will provide a roadmap for future development in the Coliseum Area to create significant long-term value for Oakland and Alameda County. Both the Master Plan and Specific Plan are intended to facilitate the transformation of what is currently one of the largest under-developed, inner-urban, transit-served redevelopment opportunities in California. Implementation of the

Item: \_\_\_\_\_  
CED Committee  
March 24, 2015

plans is seen as a critical opportunity to revitalize some of Oakland's most important physical assets, and transform this area for robust long-term economic growth.

Ultimately, realization of Coliseum City is dependent upon the feasibility of both public and private financing options for various components. As such, the new proposed ENA will allow the Developer to complete additional feasibility analysis and secure public/private equity.

The ENA will provide for the parties to negotiate community benefits during the ENA period in a number of areas. The preliminary list of community benefits topics includes the following:

- Project labor agreements
- Local employment and apprenticeship policies
- Local business and small business contracting policies
- Environmental mitigation measures
- Open space elements
- Sustainable development
- Improvements to and utilization of the current transportation hub and other transportation facilities
- Affordable housing development
- Potential impact fees (housing, transportation, capital improvements)
- Other community benefits as needed and feasible, to be negotiated

The outcome of the negotiations over community benefits will be reflected in any Lease and/or Disposition and Development Agreement entered into between the parties.

### **PUBLIC OUTREACH/INTEREST**

The City has conducted 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, Port of Oakland, the Coliseum JPA and the County of Alameda. The property is located 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. Most recently, the associated Coliseum City Specific Plan has included numerous community meetings and many public hearings before the Planning Commission and Council.

### **COORDINATION**

The Office of Economic and Workforce Development has coordinated its efforts with the Bureau of Planning on the Specific Plan and CEQA/EIR process as well as the Office of Public Works, the City Attorney's Office, major public transit and utility agencies, as well as business, non-profit organizations and community stakeholders.

Item: \_\_\_\_\_  
CED Committee  
March 24, 2015

### COST SUMMARY/IMPLICATIONS

The City previously allocated \$1.6M in Coliseum 2006 Series Taxable Bond funds to conduct predevelopment work and deliverables under the original Coliseum City ENA. The new three party ENA anticipates that the Developer will need to expend its own funds to continue the project and Developer has satisfactorily demonstrated its financial capacity to fund the required predevelopment work. As a result, no new additional fiscal impacts will be incurred by the City beyond this proposal.

### SUSTAINABLE OPPORTUNITIES

**Economic:** Coliseum City could have substantial economic regional impacts which can be characterized in terms of net direct spending, total output, income and jobs. In addition, the project 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:** Coliseum City is envisioned to contribute and enhance smart growth principles to leverage the Coliseum's existing multi-modal transportation amenities and shall be consistent with regional growth policies and state growth mandates SB 375 and AB 32. The project also envisions a regional scale transit oriented development creating a mix of housing, entertainment, office, retail and commercial utilizing the Coliseum's extensive mass transit network and thereby reducing the need for automobile reliance.

**Social Equity:** The East Oakland neighborhood surrounding the Coliseum has long been attributed with social and economic equity issues and has been historically underserved. Coliseum City would ultimately provide positive economic stimulus to the neighborhood by the creation of local job opportunities and would contribute to continued neighborhood job growth and economic stability.

### CEQA

An Environmental Impact Report under CEQA was prepared for the Coliseum Specific Plan.

For questions regarding this report, please contact Larry Gallegos with the Project Implementation Division at (510) 238-6174.

Respectfully submitted,



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Mark Sawicki  
Director of Economic and Workforce  
Development

Item: \_\_\_\_\_  
CED Committee  
March 24, 2015

**Coliseum City ENA Deliverables  
Attachment A**

**1. OBLIGATIONS OF NEW CITY.** New City, at its own cost and expense and with the cooperation of the City and County, shall perform the following activities, including engaging the professional firms necessary to carry out such activities. New City shall make available to the City and County all work product as it is produced. New City shall make two formal submittals as described below for the City's and County's review and approval during the Negotiation Period and within the timeframes set forth below:

**1.1 Initial Submittal.** By June 21, 2015, New City shall prepare and submit, at its own cost and expense:

(a) An initial financing plan, for consideration of feasibility by the City, County, and New City, for development of a sports facility for the Oakland Raiders, with Ancillary Development (as defined below), and including land and infrastructure to support a potential sports facility for the Oakland Athletics. This submittal shall include projected sources and types of funding as well as an estimated equity commitment from New City, its partners and affiliates.

(b) Proposed terms and conditions required to obtain a commitment from one or more of the Oakland Raiders, the Oakland Athletics, and/or the Golden State Warriors to the Project with an update on status of negotiations between New City and each team regarding its commitment to participate in the Project;

(c) Initial site plans for the development of the new Oakland Raiders stadium and/or Oakland Athletics baseball park, which shall include the existing Oracle Arena;

(d) Proposed product-specific financial and market feasibility analyses for the various elements of the development other than sports facilities as set forth in the Project Description (the "Ancillary Development") to be included in the L/DDA;

(e) Proposed development schedule for the sports facilities and the Ancillary Development, including the timing of entitlements for all phases of the Project;

(f) An estimate of the cost of the infrastructure for the Project and a funding plan for that infrastructure, including a list of potential regional, state and federal grant sources;

(g) Proposals for establishing tax financing districts for financing Project infrastructure;

(h) A preliminary plan for subdivision of parcels as necessary for the Project;

(i) Proposals for addressing the existing Coliseum Debt;

(j) Proposals for the timing of the disposition of land for the various elements of the Project;

(k) An outline contracting plan for the Project; and

(l) An outline community benefits plan for the Project, that shall address at a minimum the topics listed in a separate attached document.

**1.2 Second Submittal.** By August 21, 2015, New City shall prepare and submit a Development Plan, at its own cost and expense, addressing, at a minimum, the following:

(a) A detailed description of the plan for Project development;

(b) Refined terms and conditions required to obtain a commitment from one or both of the Oakland Raiders and/or the Oakland Athletics to the Project and a projected schedule for obtaining a commitment;

(c) A refined financing plan for the development of the new Oakland Raiders stadium and/or Oakland Athletics baseball park, including identification of all sources of financing;

(d) A refined description of the financing structure for the Ancillary Development and the proposed developers for each element of the Ancillary Development;

(e) A refined development schedule for the sports facilities and the Ancillary Development, including the timing of entitlements for all phases of the Project;

(f) A refined estimate of the cost of the infrastructure for the Project and a funding plan for that infrastructure;

(g) A refined proposal for establishing tax financing districts for financing Project infrastructure;

(h) A refined plan for subdivision of parcels as necessary for the Project;

(i) A refined proposal for addressing the existing Coliseum Debt;

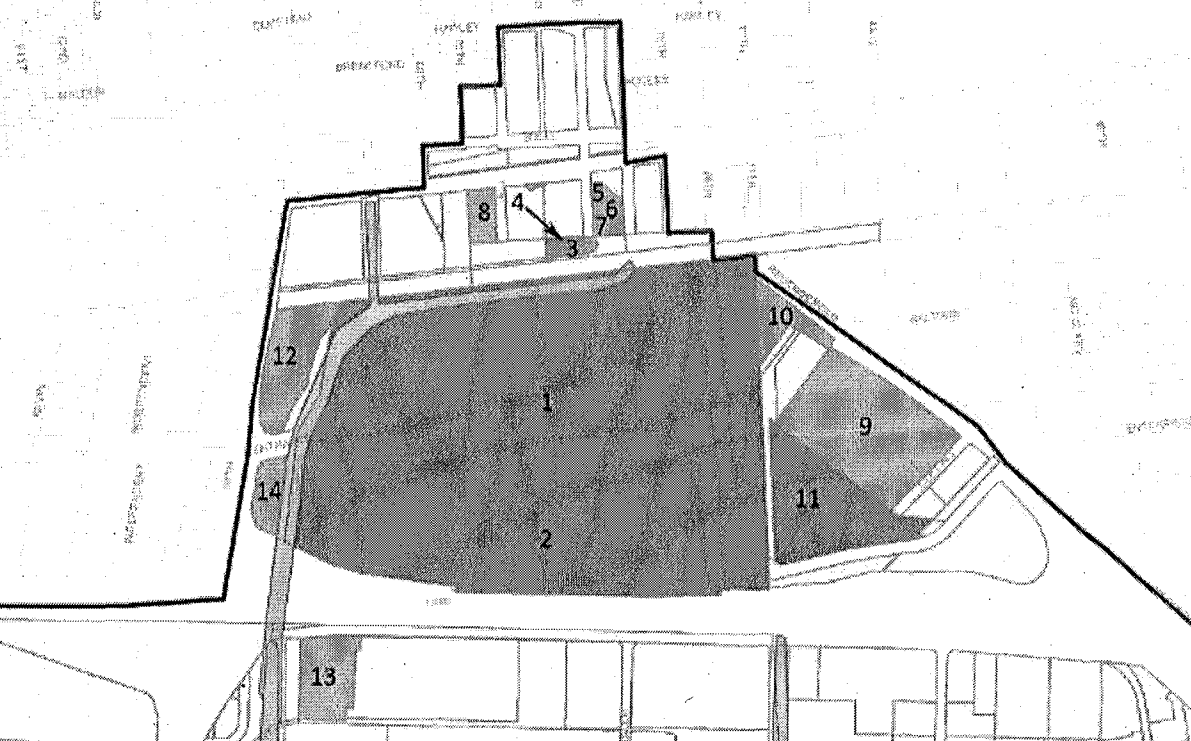
(j) Refined proposed terms for the L/DDA land disposition and financing of the various elements of the Project;

(k) A refined contracting plan; and a refined community benefits plan for the project.

Coliseum City ENA Parcels

Attachment B

City & County    City of Oakland

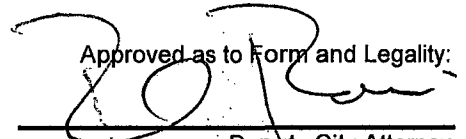




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Approved as to Form and Legality:



Deputy City Attorney

## OAKLAND CITY COUNCIL

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

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**RESOLUTION AUTHORIZING AN EXCLUSIVE NEGOTIATING AGREEMENT WITH THE COUNTY OF ALAMEDA AND NEW CITY DEVELOPMENT LLC FOR DEVELOPMENT OF A PROJECT AT THE OAKLAND-ALAMEDA COUNTY COLISEUM COMPLEX AND ADJACENT CITY PROPERTY**

**WHEREAS**, the County of Alameda (the "County") and the City jointly own the property commonly known as the Oakland-Alameda County Coliseum as well as other property in the vicinity (the "Coliseum Complex"), and the City owns additional property adjacent to the Coliseum Complex (the "City Property"); and

**WHEREAS**, the City, the County, and New City Development LLC wish to enter into a period of preliminary study and negotiations over possible development on the Coliseum Complex and the City Property of a new Oakland Raiders stadium and a new Oakland Athletics ballpark, along with related parking facilities, as well as other commercial and residential development, understanding that this does not constitute a binding commitment on the part of the City or County to any developer or to participate in any project; now, therefore, be it

**RESOLVED:** That the City Administrator, or his or her designee, is hereby authorized to negotiate, and enter into an Exclusive Negotiating Agreement with the County of Alameda and New City Development LLC, or an affiliated entity approved by the City Administrator, for purposes of studying and evaluating the feasibility of, and negotiating terms and conditions for, the potential development of a project at the Coliseum Complex and the City Property; and be it

**FURTHER RESOLVED:** That the exclusive negotiating period will be for six months from the date the Exclusive Negotiating Agreement is authorized by the City Council and the County, with an option to extend said period for an additional six months at the discretion of the City Administrator or his or her designee, along with the County; and be it

**FURTHER RESOLVED:** That the City Council has independently reviewed and considered the environmental determination, and the Council finds and determines that this action complies with the California Environmental Quality Act ("CEQA") because this action on the part of the City is exempt from CEQA pursuant to Section 15262 (feasibility and

planning studies), Section 15306 (information collection) and Section 15061(b)(3) (general rule) of the CEQA Guidelines; and be it

**FURTHER RESOLVED:** That all documents shall be reviewed and approved as to form and legality by the City Attorney's Office prior to execution; and be it

**FURTHER RESOLVED:** That the City Administrator or her designee shall cause to be filed with the County of Alameda a Notice of Exemption for this action; and be it

**FURTHER RESOLVED:** That the City Council hereby authorizes the City Administrator or his or her designee to negotiate and execute documents and take all other actions necessary with respect to the Exclusive Negotiating Agreement and the project consistent with this Resolution and its basic purpose.

IN COUNCIL, OAKLAND, CALIFORNIA, \_\_\_\_\_

**PASSED BY THE FOLLOWING VOTE:**

AYES - BROOKS, CAMPBELL WASHINGTON, GALLO, GUILLEN, KALB, KAPLAN, REID, and PRESIDENT GIBSON MCELHANEY

NOES -

ABSENT -

ABSTENTION -

ATTEST: \_\_\_\_\_

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