


DEPUTY CITY ATTORNEY

OAKLAND CITY COUNCIL

ORDINANCE NO. _____ C.M.S.

AN ORDINANCE AUTHORIZING THE CITY ADMINISTRATOR TO: (1) NEGOTIATE AND ENTER INTO A TENANCY IN COMMON AGREEMENT (AGREEMENT) WITH THE COUNTY OF ALAMEDA (COUNTY) TO SET FORTH THE PROCESSES FOR MANAGEMENT, MAINTENANCE AND FUTURE DISPOSITION, INCLUDING THE DESIGNATION OF THE COUNTY AS THE LEAD AGENCY UNDER SUCH AGREEMENT, OF THE PROPERTY FORMERLY KNOWN AS THE RAIDERS TRAINING FACILITY AND LOCATED AT 1150 AND 1220 HARBOR BAY PARKWAY, ALAMEDA CA (PROPERTY), OWNED BY THE CITY AND COUNTY, EACH, WITH AN UNDIVIDED 50 PERCENT INTEREST; AND (2) AUTHORIZE THE EXPENDITURE OF FUNDS FOR MANAGEMENT, MAINTENANCE AND REPAIRS OF THE PROPERTY CONSISTENT WITH THE AGREEMENT (A) IN THE AMOUNT OF \$81,250.00 IN EXCESS OF THE CITY ADMINISTRATOR'S AUTHORITY FROM THE FUNDS HELD BY THE COUNTY FOR PRIOR RENTAL INCOME RECEIVED AND (B) AUTHORIZE THE RE-APPROPRIATION AND EXPENDITURE OF FUNDS IN THE AMOUNT OF \$170,000.00 FROM COLISEUM PROJECTS FUND (5650)

WHEREAS, the Oakland-Alameda County Coliseum Financing Corporation, a non-profit corporation, ("Financing Corporation") made a loan to the then Los Angeles Raiders ("Raiders"), pursuant to a Loan Agreement dated August 7, 1995 (the "Loan Agreement"), including a loan of \$10 million to finance the establishment of the Raiders Training Facility (the "Training Facility Loan"), located at 1150 and 1220 Harbor Bay Parkway, Alameda CA 94502 (the "Property") as part of Master Agreement between the Oakland Raiders and the Oakland Alameda County Coliseum Authority, dated August 7, 1995, and as amended ("Master Agreement"); and

WHEREAS, the Training Facility Loan was a non-recourse loan, payable from 50% of the net football concessions and parking revenue generated by Raiders' events held at the Oakland-Alameda County Coliseum with repayment of the Training Facility secured by a first-priority security interest in the Permanent Training Facility and Training Site (the "Training Facility"); and

WHEREAS, the Raiders conveyed to the Financing Corporation a Deed of Trust, Assignment of Rents and Fixture Filing, dated March 28, 2006, and recorded as Series Number

2006121826 of Official Records of Alameda County, California, (“the “Deed of Trust”) to secure all loans made in the Loan Agreement, including the Training Facility Loan; and

WHEREAS, under the Deed of Trust, the Financing Corporation was the legal owner and holder of the note for the Training Facility Loan secured by the Deed of Trust; and

WHEREAS, the Loan Agreement was amended on December 3, 2013, in Supplement No. 4 to the Master Agreement, to provide that upon the termination of the Licensing Agreement the Raiders must record a deed transferring the Training Facility to the City of Oakland (“City”), County of Alameda (“County), and/or the Oakland-Alameda County Coliseum Authority (the “Authority”) (collectively, the “East Bay Entities”) as full and complete satisfaction of the Training Facility Loan; and

WHEREAS, Supplement No. 5 dated April 7, 2015, and Supplement No. 7, effective March 21, 2019, to the Master Agreement, added and amended, respectively, Section 7.5 to the Operating Agreement between the Raiders and the Authority to (1) require the Raiders to record a quitclaim deed transferring ownership of the Training Facility to the East Bay Entities should the Raiders not exercise their option to play professional football at the Oakland-Alameda County Coliseum for the 2020-21 football season, and (2) extending to the Raiders the option to continue to use the Training Facility for up to thirty-six (36) months commencing on March 1, 2020; and

WHEREAS, on February 8, 2020, the Raiders gave written notice of their intent to not exercise the option to play football at the Coliseum for the 2020-21 football season and to exercise their option to use the Training Facility for up to 36-months; and

WHEREAS, the Raiders have presented the quitclaim deed to convey the Training Facility to the City and County, a 50% undivided interest each, as tenants-in-common (“Quitclaim Deed”); and

WHEREAS, the Interim City Administrator for the City of Oakland on behalf of the City of Oakland executed a Certificate of Acceptance on May 4, 2020, accepting for recording the same Quitclaim Deed pursuant to authority conferred by City Council Resolution No. 87585 adopted on March 21, 2019, authorizing the City Administrator to execute Supplement No. 7 to the Master Agreement and Exhibits to the Master Agreement; and

WHEREAS, on September 25, 2020, the Financing Corporation as the substituted trustee and original beneficiary approved the reconveyance of the estate, title, and interest under the Deed of Trust; and

WHEREAS, the Quitclaim Deed will soon be recorded and title to the Property transferred to the City of Oakland and the County of Alameda; and

WHEREAS, as the co-tenants of the Property, the City of Oakland and the County of Alameda desire to enter into a tenancy in common agreement to set forth the processes for management, maintenance and future disposition of the Property; and

WHEREAS, the City of Oakland and County of Alameda currently project there will be substantial holding costs to maintain and manage the facility on an interim basis until the final disposition of the Property; and

WHEREAS, for the interim use of the Property, the Raiders paid approximately \$262,500.00 in rental income, which is being held by the County in an operating account for rent paid on the Property for the current year, of which monies approximately \$131,250.00 belong to the City of Oakland and the remaining 50 percent portion belong to the County of Alameda; and

WHEREAS, the City of Oakland projects that its 50 percent share of costs for the interim maintenance and management of the Property will be approximately \$300,000.00 which would leave a shortfall of approximately \$170,000.00 after the County applies the \$131,250.00 in rent proceeds toward the City's share of costs; and

WHEREAS, funds in the amount of \$170,000.00 have been identified and are currently available in Entity (1), Coliseum Projects Fund (5650), Maintenance and Repair: Real Property Account (54612), General Coliseum Infrastructure Project (1001581), Program (SC12); now, therefore

The Council of the City of Oakland, does ordain as follows:

SECTION 1. The City Council hereby authorizes the City Administrator or his or her designee to enter into a tenancy in common agreement with the County of Alameda for the Property located at 1150 and 1220 Harbor Bay Parkway, Alameda, CA 94502 to set forth the processes for management, maintenance and future disposition of the Property, substantially in the form of the agreement attached to the staff report for this agenda item; and

SECTION 2. The City Council hereby authorizes the City Administrator or his or her designee to authorize expenditure of \$81,250.00, which amount represents the balance of the City's portion of rental income from the Raiders less the City Administrator's previous contract authority of \$50,000.00 and is held by the County for the interim maintenance, operation and management of the Property; and

SECTION 3. The City Council hereby authorizes the City Administrator or his or her designee to authorize the re-appropriation and expenditure of an additional \$170,000.00 which is currently held in Entity (1), Coliseum Fund (5650), Maintenance and Repair: Real Property Account (54612), General Coliseum Infrastructure Project (1001581), Program (SC12), for the City's portion of additional costs for the interim maintenance, management and repairs of the Property; and

SECTION 4. The recitals contained in this Ordinance are true and correct and are an integral part of the Council's decision.

SECTION 5. The City Council hereby authorizes the City Administrator or his or her designees to take whatever action is necessary with respect to the tenancy in common agreement and the appropriation and expenditure of funds for the Property consistent with this Ordinance and its basic purposes.

SECTION 6. Nothing in this Ordinance authorizing the execution of a tenancy in common agreement with the County should be interpreted as an approval or a pre-commitment to approve, now or in the future, of the disposition of the City's 50% undivided interest in the Property to any particular party, on any particular terms, or for any particular purposes. Any proposed disposition of the Property will require further discretionary actions of the City Council. As such, this action will not result in a direct or indirect physical change in the environment and does not in-and-of-itself constitute a "project" pursuant to CEQA Guidelines Section 15378.

SECTION 7. This Ordinance shall be in full force and effect immediately upon final adoption, as provided by Section 216 of the City Charter, if adopted by at least six members of Council, or upon the seventh day after final adoption if adopted by fewer votes.

IN COUNCIL, OAKLAND, CALIFORNIA,

PASSED BY THE FOLLOWING VOTE:

AYES - FORTUNATO BAS, GALLO, GIBSON MCELHANEY, KALB, REID, TAYLOR, THAO AND PRESIDENT KAPLAN

NOES –

ABSENT –

ABSTENTION –

ATTEST: _____
ASHA REED
Acting City Clerk and Acting Clerk of the Council of the City of
Oakland, California

Date of Attestation: _____

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NOTICE AND DIGEST

This Ordinance authorizes a tenancy in common agreement between the City of Oakland and the County of Alameda for the management, maintenance and future disposition of the former Raiders headquarters and training facility located at 1150 and 1220 Harbor Bay Parkway, Alameda CA 94502 and the appropriation and expenditure of funds for the property management, maintenance and future disposition of the Property. This Ordinance authorizes the City Administrator or his designee to sign the tenancy in common agreement with the County of Alameda for this transaction, and make other associated financial actions as necessary.