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**CITY OF OAKLAND
COUNCIL/ AGENCY AGENDA REPORT**

TO: Office of the City Manager/Agency Administrator
ATTN: Robert C. Bobb
FROM: Community and Economic Development Agency
DATE: May 27, 2003

RE: A CITY ORDINANCE AND AGENCY RESOLUTION AUTHORIZING THE SALE OF THE CITY CENTER T-10 SITE AT JEFFERSON STREET, MARTIN LUTHER KING JR. WAY, 14TH STREET AND THE 13TH STREET PEDESTRIAN WALK, FROM THE CITY TO THE REDEVELOPMENT AGENCY FOR \$7 MILLION

SUMMARY

The Redevelopment Agency is proposing to purchase the City Center T-10 site, located between Jefferson Street, Martin Luther King Jr. Way, 14th Street and the 13th Street pedestrian walk (the "Property"), from the City for \$7 million in cash. This action is being taken to provide the City with the funds anticipated in the FY 2002-03 mid-cycle adopted budget, while allowing time to complete the environmental review and land use entitlement process and due diligence review of the proposed project. The FY 2002-03 budget balancing measures anticipated receiving \$7 million in land sales proceeds from sale of the Property.

FISCAL IMPACTS

This transaction will help the City balance the General Fund shortfall projected during the FY 2002-03 Mid-Cycle Budget Review. The Agency has approximately \$25 million available in unallocated funds from the recent refinancing of Central District bond debt. These funds are in the process of being allocated to projects for the Agency's FY 2003-05 budget. Most of the new capital funds are proposed for allocation to the Uptown Project. The \$7 million required for the purchase will be taken from the Uptown Project's budget and be returned to this project once the sale to a developer is completed. If the sale to a developer is delayed, funds needed for the Uptown project may not be available in FY 2004-05.

BACKGROUND

The Redevelopment Agency has an Exclusive Negotiating Agreement ("ENA") with Camden USA, Inc. ("Camden") to negotiate the purchase of the Property by Camden for \$7 million and the development of up to 480 units of housing. Council approval of a Disposition and Development Agreement ("DDA") for the sale of the site to Camden requires prior California Environmental Quality Act ("CEQA") review of the proposed project, which is currently underway. Camden is also working on land use entitlements for the project and its due diligence

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review of the Property. These activities will not be completed for several months, and approval of a DDA and the sale of the Property to Camden by the Agency is anticipated to be completed in the fall.

KEY ISSUES AND IMPACTS

In order to render the Property available for redevelopment, ownership of the Property will need to be conveyed from the City to the Redevelopment Agency. The Redevelopment Agency is the entity responsible for promoting redevelopment in the Central District project area and for entering into DDAs with redevelopers.

ENVIRONMENTAL OPPORTUNITIES

The action is only a financial transaction between the City and Redevelopment Agency. The project proposed for the site will address environmental opportunities when it is brought to the Council and Agency for approval.

DISABILITY AND SENIOR CITIZEN ACCESS

The action is only a financial transaction between the City and Redevelopment Agency. The project proposed for the site will address disability and senior access when it is brought to the Council and Agency for approval.

RECOMMENDATIONS AND RATIONALE

This action will allow the City to meet its goal to balance the FY 2002-03 budget while the Redevelopment Agency does not anticipate using these funds on the Uptown Project until FY 2004-05 so there should be no impact from purchasing the land presently. It is therefore recommended that the City approve the immediate sale and the Agency approve the immediate purchase of the T-10 Site.

ACTION REQUESTED OF THE AGENCY

It is recommended that City and Redevelopment Agency approve the attached legislation authorizing the sale and purchase of the Property, including:

A City Ordinance Authorizing the Sale of the City Center T-10 Site at Jefferson Street, Martin Luther King Jr. Way, 14th Street and the 13th Street Pedestrian Walk, to the Redevelopment Agency for \$7 Million , and

An Agency Resolution Authorizing the Purchase of the City Center T-10 Site at Jefferson Street, Martin Luther King Jr. Way, 14th Street and the 13th Street Pedestrian Walk, from the City for \$7 million .

Respectfully submitted,



ROBERT C. BOBB

City Manager for the Community
and Economic Development Agency

APPROVED AND FORWARDED TO THE
FINANCE AND MANAGEMENT COMMITTEE

Prepared by:
Patrick S. Lane, Project Manager
Redevelopment Division

APPROVED AS TO FORM AND LEGALITY
OFFICE OF THE CITY CLERK
OAKLAND
2003 MAY 15 PM 4:32
CITY ATTORNEY

OAKLAND CITY COUNCIL

ORDINANCE No. _____ C.M.S.

AN ORDINANCE AUTHORIZING THE SALE OF THE CITY CENTER T-10 SITE AT JEFFERSON STREET, MARTIN LUTHER KING JR. WAY, 14TH STREET AND THE 13TH STREET PEDESTRIAN WALK, TO THE REDEVELOPMENT AGENCY FOR \$7 MILLION

WHEREAS, the City of Oakland (the "City") owns approximately 1.7 acres of real property located between Jefferson Street, Martin Luther King Jr. Way, 14th Street and the 13th Street Pedestrian Walk known as the "City Center T-10 Site," more fully described in Exhibit A attached to this Ordinance (the "Property"); and

WHEREAS, the City Council has adopted Ordinance Nos. 10142 and 11602 C.M.S., which establish procedures for the sale and lease of City-owned property; and

WHEREAS, the Property is located within the Central District Redevelopment Project Area; and

WHEREAS, the Redevelopment Agency desires to purchase the Property from the City for redevelopment purposes; and

WHEREAS, Health and Safety Code Section 33220 authorizes any public body, with or without consideration, to sell property to a redevelopment agency to promote redevelopment projects; and

WHEREAS, the City is the Lead Agency for this project 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 this transaction is exempt from CEQA under section 15312 of the CEQA Guidelines (sale of surplus government property);

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NOW, THEREFORE, THE COUNCIL OF THE CITY OF OAKLAND DOES ORDAIN AS FOLLOWS:

Section 1. Pursuant to Sections 1 and 8 of Ordinance No. 10142 C.M.S., and Sections 4 and 6 of Ordinance No. 11602 C.M.S., it is determined to be in the best interest of the City to sell the Property by negotiated sale to the Redevelopment Agency, since the Property is located in a redevelopment project area and the Agency is the agency responsible for promoting redevelopment in Oakland's project areas.

Section 2. The City Council hereby authorizes the conveyance of the Property to the Redevelopment Agency for the price of \$7,000,000 in cash.

Section 3. The City Manager is authorized to negotiate and execute a grant deed or other agreements as necessary to convey the Property to the Redevelopment Agency upon satisfaction of any preconveyance conditions imposed by the City Manager or his designee.

Section 4. The City Manager or his designee is authorized to file a notice of exemption for this action.

IN COUNCIL, OAKLAND, CALIFORNIA, _____, 2003

PASSED BY THE FOLLOWING VOTE:

AYES- BROOKS, BRUNNER, CHANG, NADEL, QUAN, REID, 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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FINANCE & MANAGEMENT CMTE.
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**AN ORDINANCE AUTHORIZING THE SALE OF THE CITY
CENTER T-10 SITE AT JEFFERSON STREET, MARTIN
LUTHER KING JR. WAY, 14TH STREET AND THE 13TH STREET
PEDESTRIAN WALK, TO THE REDEVELOPMENT AGENCY
FOR \$7 MILLION**

NOTICE AND DIGEST

This Ordinance authorizes the City to sell approximately 1.7 acres of real property located between Jefferson Street, Martin Luther King Jr. Way, 14th Street and the 13th Street Pedestrian Walk known as the "City Center T-10 Site," in the Central District Redevelopment Project Area to the Redevelopment Agency of the City of Oakland for the price of \$7 million, in cash.

EXHIBIT A
Legal Description

REAL PROPERTY in the City of Oakland, County of Alameda, State of California,
described as follows:

PARCEL ONE:

Lots 1 to 28, inclusive, Block 187 Kellersberger's Map of Oakland, filed September 2,
1853, in Map Book 7, Page 3, Alameda County Records.

PARCEL TWO:

The Northeasterly $\frac{1}{2}$ width of 13th Street lying between the Southeasterly line of Martin
Luther King Jr. Way, formerly Grove Street, and the Northwesterly line of Jefferson
Street, as said Jefferson Street and Grove Street are shown on the Kellersberger's Map
of Oakland, filed September 2, 1853, in Map Book 7, at Page 3, Alameda County
Records.

A.P. No.: 002-0029-001-01

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