

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

FILED
OFFICE OF THE CITY CLERK
OAKLAND

2007 AUG 30 PM 2:05

TO: Office of the City Administrator/Agency Administrator
ATTN: Deborah A. Edgerly
FROM: Community and Economic Development Agency
DATE: September 11, 2007

RE: **1) An Ordinance Authorizing The Purchase Of Real Property At 1718 - 50th Avenue, Oakland (APN 035-2386-019) From Dierdre Veals, For \$309,000, Plus Customary Real Estate Closing Costs, For Redevelopment As Fire Station # 18 And Accepting A Contribution Of \$309,000, Plus Customary Real Estate Closing Costs, From The Redevelopment Agency Under The Cooperation Agreement For The Purchase Of The Property. 2) An Agency Resolution Authorizing The Contribution Of \$309,000 Plus Customary Real Estate Closing Costs To The City Under The Cooperation Agreement For The Acquisition Of 1718 - 50th Avenue For Its Redevelopment As A Fire Station**

SUMMARY

Approval of the City Council is requested to purchase the Property located at 1718- 50th Avenue, Oakland (APN # 035-2386-019) through a negotiated Sale agreement. The subject Property as identified in (Attachment "A") is owned by Dierdre Veals and is located in the Central City East Redevelopment Project Area, in City Council District 4. Staff is also requesting that the Redevelopment Agency be authorized to make a contribution of \$ 309,000 plus closing costs in Agency Funds to the City under the cooperation agreement for the acquisition of the subject Property. The Agency issued and received Series 2006 bonds for the Central City East (CCE) Area to be used for the acquisition of underutilized properties in the prospective area. The purchase will facilitate the development and expansion of new Fire Station #18 at this location. The existing Fire Station # 18 is housed on an adjacent site and is undersized to accommodate assigned fire apparatus and presents challenges for fire staff to provide required services due to physical limitations of the firehouse. Staff recommends that the City and the Redevelopment Agency adopt the attached Ordinance and Resolution to authorize the acquisition of the subject property.

FISCAL IMPACT

The Staff is proposing the following Agency funding sources for this acquisition: \$309,000 plus customary real estate closing cost and phase I environmental study cost (estimated to be \$5,800) will be allocated from Central City East Tax Allocation Bond Series 2006A-T (Taxable) Bonds Fund (9543), Central City East Organization (88699), Fire Station #18 Project (T315830).

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Oakland Redevelopment Agency Taxable Bond funds will be used for the acquisition since City funds could not be identified for this opportunity purpose. City has paid a non-refundable fee of \$3,000 to secure an option agreement to purchase the Property.

These Funds will be accepted by the City under the Cooperation Agreement and appropriated in Oakland Redevelopment Agency Project (Fund 7780), Capital Improvement Project – Economic Development Organization (94800), Fire Station # 18 Project (C328310).

BACKGROUND

Fire Station 18: Fire Station #18 was built in 1925 and it is located at 1718- 50th Avenue, Oakland (APN: 035-2386-018) on a 4,800 square feet lot adjacent to the subject Property. The Station's building size is approximately 5,328 square foot and is currently in a poor condition. The size of the building prevents accommodation of modern fire apparatus. The land of Station # 18 was donated to the city in 1923 for the designated purpose of a Fire Station.

KEY ISSUES AND IMPACTS

The acquisition of this property is critical to the planned expansion and renovation of Fire Station # 18. All off-site improvements and public utilities are available. The property is vacant and improved with a single story wood framed building containing 689 square feet that is currently vacant. The total land area for the Property is approximately 1,900 square feet. The property was appraised and a Fair Market Value offer to purchase was made to the property owner. The property owner has agreed to enter into an option agreement to sell the Property to the Agency for a total of \$309,000 plus closing costs, which are estimated to be approximately \$20,000. The negotiated sales price does not include an additional non - refundable option fee of \$3,000 over the appraised value for the property. The City secured the option to purchase since the Property was for sale and the City wanted to obtain site control to expand Fire Station #18. The option Agreement allowed the City to control the site until the City Council could make a determination on the purchase of the Property.

PROJECT DESCRIPTION

The property located at 1718 - 50th Avenue is immediately adjacent to the current Station # 18. Since Fire Station #18 land was donated exclusively for the purpose of Fire Station, it would not be possible to sell Fire Station #18 to raise funds to acquire and build at an alternate site. The City retained Shah Kawasaki Architects to evaluate expansion options for Fire Station #18. After studying the possibilities, staff believes that purchasing and demolishing the property next to the current station is the most economically sound option to replace the current Fire Station #18 with a larger area in order to replace the building and house the modern fire apparatus. Furthermore, the potential exposure to the City would be significantly higher if the property was to be acquired through a condemnation proceeding. Therefore, it is in the City's best interest to acquire the subject Property at the negotiated sales price to accommodate plans for future expansion to serve the area neighborhoods.

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If the City Council approves the Ordinance and the Resolution, the acquisition is expected to commence immediately and should be complete by the end of October of 2007. The subject parcel presents a unique opportunity to gain site control for the expansion of Fire Station #18, to allow Oakland's Fire Department the ability to adequately service the surrounding community.

SUSTAINABLE OPPORTUNITIES

Economic: The City plans to use the site for future expansion of Fire Station # 18 to bring the building up to the current State standards to serve the neighborhood and build public improvements in the area. The project contractor is typically required to have 50% of the work hours performed by Oakland residents, and 50% of all new hires are to be Oakland residents. This project will improve neighborhood conditions and thus make the neighborhood area more attractive to current and prospective residents, tenants and businesses that can provide employment within Oakland. The anticipated project is subject to City program goals for Local and Small Local Business Enterprises and other standard programs.

Environmental: The acquisition of the project site area at 50th Avenue is expected to contribute to growth by creating an attractive addition to the community, and stimulating neighborhood infill development. The contractors of all future infill projects will be required to make every effort to reuse clean fill materials and use recyclable concrete and asphalt products. It is anticipated that the new fire station will be built using "green" material and design guidelines.

Social Equity: The area neighborhoods will have access to a state of the art fire station and community center that would facilitate higher levels of response and service for many years to come. The proposed acquisition provides a positive stimulus to local neighborhoods which are improving and where new fire station is both welcomed and important to continued neighborhood safety, growth and stability.

DISABILITY AND SENIOR CITIZEN ACCESS

The acquisition of the subject property has no direct impact on access by seniors and people with disabilities.

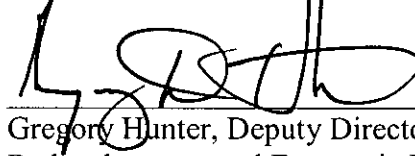
RECOMMENDATION AND RATIONALE

Staff recommends the City Council adopt of the following pieces of legislation: 1) An Ordinance authorizing the purchase of real property at 1718 - 50th Avenue, Oakland (APN 035-2386-019) from Dierdre Veals, for \$309,000, plus customary real estate closing costs, for the expansion of Fire Station #18 and accepting a contribution of \$309,000, plus customary real estate closing costs, from the Redevelopment Agency under the cooperation agreement for the purchase of the property; and 2) An Agency Resolution authorizing the contribution of \$309,000 plus customary real estate closing costs to the City under the cooperation agreement for the acquisition of 1718 - 50th Avenue for its Redevelopment as a Fire Station. Approving the Agency Resolution and City Ordinance will allow the City to implement the planned expansion objectives of Fire Station # 18.

ACTION REQUESTED OF CITY COUNCIL AND AGENCY

Adopt the following pieces of legislation: 1) An Ordinance authorizing the purchase of real property at 1718 - 50th Avenue, Oakland (APN 035-2386-019) from Dierdre Veals, for \$309,000, plus customary real estate closing costs, for redevelopment as Fire Station # 18 and accepting a contribution of \$309,000, plus customary real estate closing costs, from the Redevelopment Agency under the cooperation agreement for the purchase of the property. 2) An Agency Resolution authorizing the contribution of \$309,000 plus customary real estate closing costs to the City under the cooperation agreement for the acquisition of 1718 - 50th Avenue for its Redevelopment as a Fire Station.

Respectfully submitted,

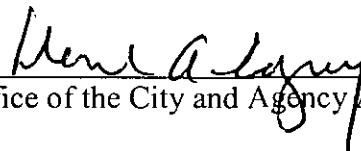


Gregory Hunter, Deputy Director
Redevelopment and Economic Development,
Community and Economic Development Agency

Reviewed by: Frank Fanelli, Manager
Real Estate Services

Prepared by: Hamid Ghaemmaghami,
Real Estate Agent
Real Estate Services

APPROVED FOR FORWARDING TO
FINANCE AND MANAGEMENT COMMITTEE


Office of the City and Agency Administrator

Attachment "A"

Code Area No. 17-045

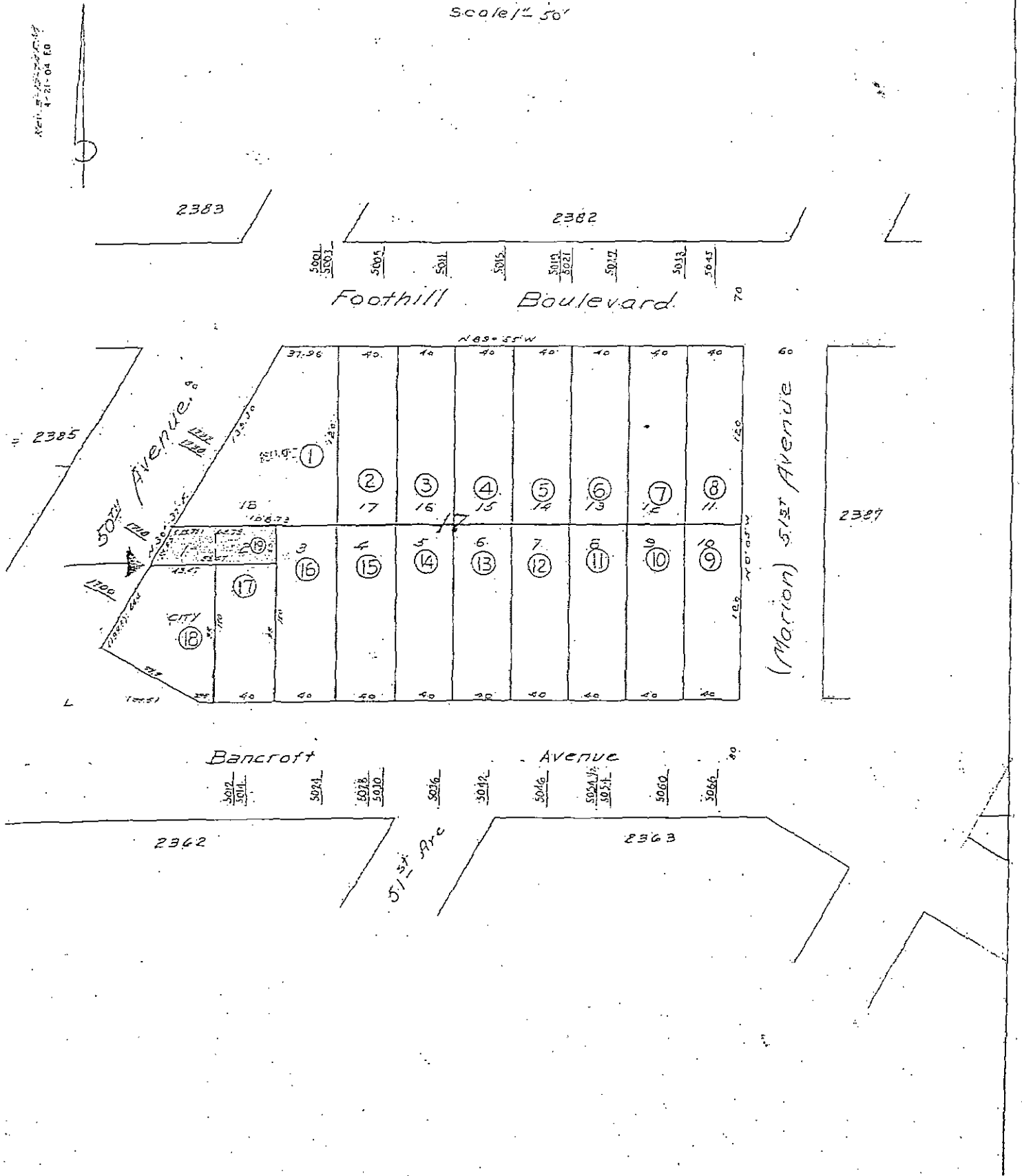
2386

ASSESSOR'S MAP 35

Map of
Melrose Heights (Bk. 23 Pg. 58)

Scale 1" = 50'

Mer. 4-21-04 60



FILED
OFFICE OF THE CITY CLERK
OAKLAND

2007 AUG 30 PM 2:05

APPROVED AS TO FORM AND LEGALITY:


DEPUTY CITY ATTORNEY

OAKLAND CITY COUNCIL

ORDINANCE NO. _____ C. M. S.

AN ORDINANCE AUTHORIZING THE PURCHASE OF REAL PROPERTY AT 1718 50TH AVENUE, OAKLAND (APN 035-2386-019) FROM DIERDRE VEALS, FOR \$309,000, PLUS CUSTOMARY REAL ESTATE CLOSING COSTS, FOR REDEVELOPMENT AS FIRE STATION 18 AND ACCEPTING A CONTRIBUTION OF \$309,000, PLUS CUSTOMARY REAL ESTATE CLOSING COSTS, FROM THE REDEVELOPMENT AGENCY UNDER THE COOPERATION AGREEMENT FOR THE PURCHASE OF THE PROPERTY

WHEREAS, Fire Station #18 located at 1700 50th Avenue in Oakland is more than 80 years old, in need of immediate renovation and expansion to house new fire apparatus equipments and to better serve the neighborhoods of the City; and

WHEREAS, the City has retained consultant, Shah Kawasaki Architects to evaluate expansion options for Fire Station #18 and as the result of the study, staff have identified the subject site located at 1718 50th Avenue (APN 035-2386-019) as identified in (Exhibit "A") adjacent to Fire Station # 18 as the best available site for expansion of Fire Station #18; and

WHEREAS, the City of Oakland executed an option contract to enter into a sale and purchase agreement with Dierdre Veals the owner of the property, and it is deemed to be in the public interest and necessity that the fee to said Parcel be acquired by the City of Oakland to allow for the future expansion of Fire Station # 18; and

WHEREAS, the City wishes to purchase the referenced property pending the results of the environmental review, title search and other due diligence to be completed; and

WHEREAS, the City and Redevelopment Agency entered into a Cooperation Agreement on July 1, 2004, which generally governs the provision of assistance and the payment of funds between the two agencies, including Redevelopment Agency financial contributions and other assistance to support City public improvements; and

WHEREAS, Section 33445 of the California Health and Safety Code authorizes a redevelopment agency to pay for land costs or the cost of installation or construction of publicly-owned

facilities, if the legislative body has consented to such funding and has made certain findings; and

WHEREAS, the Redevelopment Agency has authorized a contribution of Agency funds from Central City East Project Areas in a total amount of \$309,000 plus closing costs to the City to purchase the subject property; and

WHEREAS, the acquisition of the property is exempt from the California Environmental Quality Act (CEQA) under Section 15061(b) (3) (no possibility of significant environmental impact), Section 15183 (projects consistent with a General Plan), Section 15301 (existing facilities), and Section 15308 (actions by regulatory agencies to protect the environment) of the CEQA Guidelines; now, therefore,

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

Section 1: The City Council hereby authorizes the purchase of 1718 50th Avenue for a purchase price of \$309,000 plus closing costs, for expansion as a fire station.

Section 2: The City Administrator, or her designee, is authorized to negotiate and execute an agreement to purchase the property.

Section 3: The City hereby consents to and accepts and appropriates to City's Oakland Redevelopment Agency Projects Fund (7780) Capital Improvement Project – Economic Development Organization (94800), Fire Station # 18 Project (C328310), a contribution of \$309,000 plus closing costs from the Redevelopment Agency under the Cooperation Agreement for the purchase of the property.

Section 4: The City Council hereby finds and determines as follows:

1. That the funding of the acquisition of the 1718 50th Avenue parcel from redevelopment funds will benefit the Central City East Redevelopment Project Area by creating a larger lot that would facilitate expansion of Fire Station #18 to better serve area residents and businesses and improve physical conditions in the Central City East Redevelopment Project Area;
2. That City General Funds are not available for acquisition of the property, and project specific funds have not been allocated by the City for financing the purchase of this property, and no other reasonable means of financing are available to the City for the acquisition other than Redevelopment Agency funding;
3. That the use of tax increment funds from the Central City East Redevelopment Project Area for the purchase will assist in the elimination of blight in the Project Area by redeveloping an underutilized parcel and upgrading a blighted, substandard, and obsolete facility into a new and expanded fire station, and is consistent with the implementation plan adopted for the Central City East Project Area.

Section 5: In accordance with the requirements of City Charter Article IV, the purchase agreement shall be approved as to form and legality by the City Attorney's Office prior to execution and a copy shall be filed with the Office of the City Clerk.

Section 6: This Ordinance shall become effective immediately upon final adoption if it receives six or more affirmative votes; otherwise, it shall become effective upon the seventh day after final adoption.

IN COUNCIL, OAKLAND, CALIFORNIA, _____, 2007

PASSED BY THE FOLLOWING VOTE:

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

NOES-

ABSENT-

ABSTENTION-

ATTEST: _____
LA TONDA SIMMONS
City Clerk and Clerk of the Council
of the City of Oakland, California

Exhibit "A"

Code Area No. 11-045

ASSESSOR'S MAP 35

2386

Map of
Melrose Heights (Bk. 23 P. 58)

Scale 1" = 50'

REVISED 7-21-04 EG

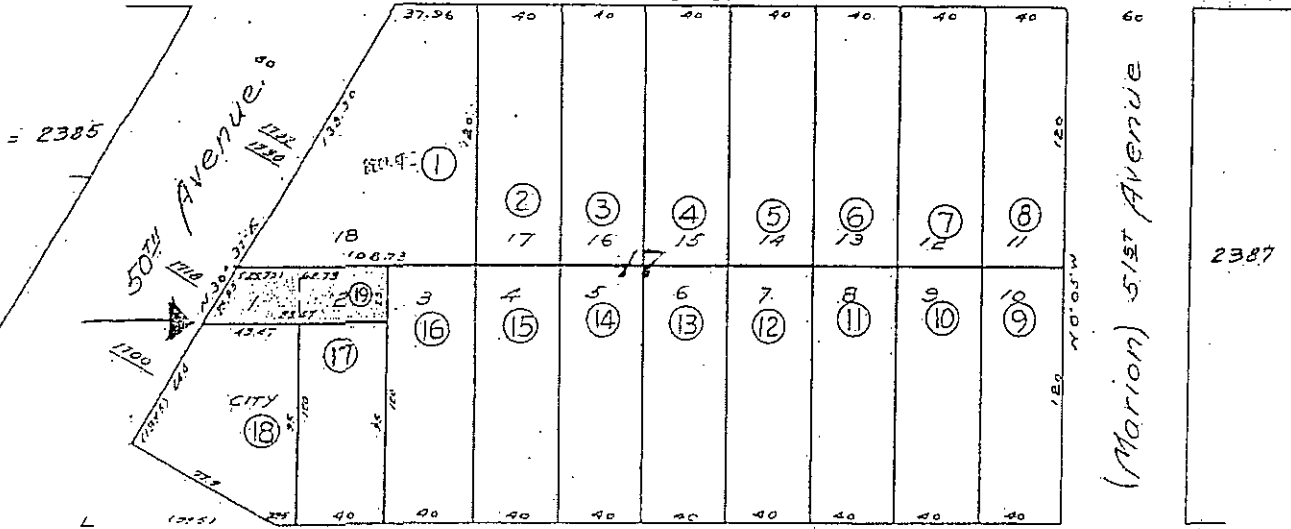
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Foothill Boulevard.

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Avenue

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NOTICE AND DIGEST

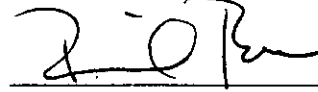
AN ORDINANCE AUTHORIZING THE PURCHASE OF REAL PROPERTY AT 1718 50TH AVENUE, OAKLAND (APN 035-2386-019) FROM DIERDRE VEALS, FOR \$309,000, PLUS CUSTOMARY REAL ESTATE CLOSING COSTS, FOR REDEVELOPMENT AS FIRE STATION 18 AND ACCEPTING A CONTRIBUTION OF \$309,000, PLUS CUSTOMARY REAL ESTATE CLOSING COSTS, FROM THE REDEVELOPMENT AGENCY UNDER THE COOPERATION AGREEMENT FOR THE PURCHASE OF THE PROPERTY

This Ordinance authorizes the City Administrator to purchase the subject Property from Dierdre Veals located at 1718 - 50th Avenue, Oakland (APN 035-2386-019)

FILED
OFFICE OF THE CITY CLERK
OAKLAND

2007 AUG 30 PM 2:05

APPROVED AS TO FORM AND LEGALITY:



Agency Counsel

REDEVELOPMENT AGENCY OF THE CITY OF OAKLAND

RESOLUTION No. _____ C.M.S.

AN AGENCY RESOLUTION AUTHORIZING THE CONTRIBUTION OF \$309,000 PLUS CUSTOMARY REAL ESTATE CLOSING COSTS TO THE CITY UNDER THE COOPERATION AGREEMENT FOR THE ACQUISITION OF 1718 50TH AVENUE FOR ITS REDEVELOPMENT AS A FIRE STATION

WHEREAS, Fire Station #18 located at 1700 50th Avenue within the Central City East Redevelopment Project Area in Oakland is more than 80 years old, in need of immediate renovation and expansion to house new fire apparatus equipments and to better serve the neighborhoods of the City; and

WHEREAS, the City has retained consultant, Shah Kawasaki Architects to evaluate expansion options for Fire Station #18 and as the result of the study, staff have identified the subject site located at 1718 50th Avenue (APN 035-2386-019) adjacent to Fire Station # 18 as the best available site for expansion of Fire Station #18; and

WHEREAS, the City of Oakland has executed an option contract to enter into a sale and purchase agreement with Dierdre Veals, the owner of the property; and

WHEREAS, the Redevelopment Agency wishes to fund the City's acquisition of the property so that the City can redevelop the property for use as a fire station and alleviate blighting, obsolete, and substandard conditions on the property and the existing fire station on the adjoining property; and

WHEREAS, the City and the Redevelopment Agency are jointly implementing projects in the Central City East Redevelopment Project Area as part of the Redevelopment Plan to upgrade public buildings in the Redevelopment Area; and

WHEREAS, the City and Redevelopment Agency entered into a Cooperation Agreement on July 1, 2004, which generally governs the provision of assistance and the payment of funds between the two agencies, including Redevelopment Agency financial contributions and other assistance to support City public improvements; and

WHEREAS, Section 33445 of the California Health and Safety Code authorizes a redevelopment agency to pay for land costs or the cost of installation or construction of publicly-owned facilities, if the legislative body has consented to such funding and has made certain findings; and

WHEREAS, the acquisition of the property is exempt from the California Environmental Quality Act (CEQA) under Section 15061(b)(3) (no possibility of significant environmental impact), Section 15183 (projects consistent with a General Plan), Section 15301 (existing facilities), and Section 15308 (actions by regulatory agencies to protect the environment) of the CEQA Guidelines; and

WHEREAS, the funding for the acquisition of the property is available from Central City East Tax Allocation Bond Series 2006A-T (Taxable) Bonds Fund (9543); and

WHEREAS, the Agency issued and received Series 2006 bonds for the Central City East Project Area to be used, among other things, for the acquisition of vacant and underutilized properties; now, therefore be it

RESOLVED: That the Agency hereby authorizes a contribution of up to \$309,000, plus customary real estate closing costs, in Redevelopment Agency funds to the City under the Cooperation Agreement for the acquisition of 1718 50th Avenue for redevelopment as a fire station; and be it further

RESOLVED: That the Agency hereby finds and determines as follows:

1. That the funding of the acquisition of the 1718 50th Avenue parcel from redevelopment funds will benefit the Central City East Redevelopment Project Area by creating a larger lot that would facilitate construction of a new, larger Fire Station #18 to better serve area residents and businesses and improve physical conditions in the Central City East Redevelopment Project Area;
2. That City General Funds are not available for acquisition of the property, and project specific funds have not been allocated by the City for financing the purchase of this property, and no other reasonable means of financing are available to the City for the acquisition other than Redevelopment Agency funding;
3. That the use of tax increment funds from the Central City East Redevelopment Project Area for the purchase will assist in the elimination of blight in the Project Area by redeveloping an underutilized parcel and upgrading a blighted, substandard, and obsolete facility into a new and larger fire station, and is consistent with the implementation plan adopted for the Central City East Project Area; and be it further resolved

RESOLVED: That these funds will be allocated from Central City East Tax Allocation Bond Series 2006A-T (Taxable) Bonds Fund (9543), Central City East Organization (88699), Fire Station #18 Project (T315830); and be it further

RESOLVED: That the Agency Administrator or her designee is hereby authorized to take whatever other action is necessary with respect to the Agency funding of the acquisition consistent with this Resolution and its basic purposes.

IN AGENCY, OAKLAND, CALIFORNIA, _____, 2007

PASSED BY THE FOLLOWING VOTE:

AYES- BROOKS, BRUNNER, CHANG, KERNIGHAN, NADEL, QUAN, REID, AND
CHAIRPERSON DE LA FUENTE

NOES-

ABSENT-

ABSTENTION-

ATTEST: _____
LATONDA SIMMONS
Secretary of the Redevelopment Agency
of the City of Oakland, California