



CITY OF OAKLAND

AGENDA REPORT

TO: Edward D. Reiskin
City Administrator

FROM: Elizabeth Lake
Deputy City Administrator

SUBJECT: Former Raiders Training Facility
1150 and 1220 Harbor Bay Pkwy

DATE: November 19, 2020

City Administrator Approval

Date: November 19, 2020

RECOMMENDATION

Staff Recommends That The City Council Adopt 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).

EXECUTIVE SUMMARY

In 1995, as part of the original agreement to bring the Raiders football team back from Los Angeles to Oakland, the City of Oakland (City) and Alameda County (County) made a \$10 million dollar loan (Loan) through the Oakland-Alameda County Coliseum Financing Corporation (Financing Corp) to the then Oakland Raiders (Raiders) to establish a new training facility. The Raiders purchased two parcels in the City of Alameda, consisting of approximately 16.8 acres, including an administrative building of approximately 100,000 square feet and adjacent practice fields. Under the terms of the Loan, the Raiders were required to record a quitclaim deed transferring ownership of the Property to the City and County upon vacating the Oakland-Alameda County Coliseum (Coliseum) and the Property.

The City and County will jointly own the Property as tenants-in-common, with each having 50 percent undivided interests. Since there is no current agreement between the City and County to jointly own and manage the Property, there is a need to formalize a joint ownership agreement with the County for property management, maintenance and future disposition of the Property as well as a need to approve of the appropriation and expenditure of funds to properly maintain the Property on an interim basis until final disposition.

City Council
December 1, 2020

BACKGROUND/LEGISLATIVE HISTORY

In 1995, the Financing Corp, made up of the City and County as successors in interest to the original public entities, gave the Raiders the Loan as part of the agreement to bring this NFL franchise back to Oakland and assist with the financing and establishment of a new local Raiders headquarters and training facility. The Raiders used the Loan to acquire two parcels located next to Doolittle Drive within the Harbor Bay Business Park in Alameda. The first parcel located at 1220 Harbor Bay Parkway, consists of a two story approximately 100,000 square foot office building situated on a 5.4-acre parcel. The second property is an adjacent parcel located at 1150 Harbor Bay Parkway and consists of a 11.4-acre lot with multiple football practice fields and an approximately 18,000 square foot freestanding warehouse building.

In 2006, the Financing Corp required the Raiders to convey a deed of trust to secure the Loan since the Loan was originally structured as a non-recourse loan. In 2013, the Loan was further amended to require the recordation of a deed to transfer the headquarters and training facility to the City and County upon termination of the Raiders' license agreement at the Coliseum and vacation of the Property. Later in 2015 and in March 2019, additional amendments were executed which required the Raiders to record a quitclaim deed transferring ownership of the Property to the City and County should they decide not to exercise their option to play football at the Coliseum during the 2020-2021 football season.

In February 2020, the Raiders provided written notice of their intent not to exercise the option to play football at the Coliseum for the 2020-21 football season. While the Raiders originally exercised their option to lease the Property for up to 36 months, they have since vacated the Property as of August 31, 2020. Prior to officially vacating the premises, the Raiders made a final monthly rental payment for the Property, resulting in a total amount of approximately \$262,500 for the year. After the Raiders vacated the site, staff conducted a walkthrough of the Property and observed that the Property was serviceable and in good overall condition.

On September 25, 2020, the Financing Corp approved the execution and recording of the Substitution of Trustee and Full Reconveyance appointing and substituting the Financing Corp as the beneficiary and substituted Trustee under the Deed of Trust executed by the Raiders. This action, along with other documents, enabled the conveyance of the Property to the City and County as tenants-in-common, with each having a 50 percent undivided interest.

ANALYSIS AND POLICY ALTERNATIVES

Staff is seeking authority to enter into a tenancy in common agreement (TIC Agreement) with the County that will create a framework for coordinated management, maintenance and security of the Property. In addition, the TIC Agreement will outline a process for the expenditure of funds for maintenance and management as well as a process for joint disposition of the Property. Because the Property is outside of the City's jurisdiction, staff is proposing that the County, in consultation with the City, be the lead agency under the TIC Agreement. A form of the proposed TIC Agreement is attached to this report as **Attachment A**. At this point, since the Property is currently vacant, staff has worked cooperatively with the County to make temporary

arrangements to provide maintenance and security, such as having all the locks re-keyed and hiring a private security company to provide security on the Property.

In addition, staff is seeking authorization and appropriation of requisite funds to manage and maintain the Property until it is disposed. An estimated budget negotiated with the County, as the lead agency, for the next 12 months is attached to this report as **Attachment B**. Based on initial projections, the City's 50 percent contribution portion necessary to properly maintain the Property for up to one year is approximately \$300,000, which includes holding costs such as temporary security, maintenance, insurance, etc.

Finally, since there are considerable holding costs associated with owning the Property, staff proposes to coordinate with the County to ultimately sell and dispose of the Property. While the process for joint disposition is outlined in the TIC Agreement, separate, future actions would need to occur to dispose of the Property. Specifically, the City Council would first need to declare the Property as surplus along with the County, to comply with the California Surplus Land Act and authorize respective staff to proceed with the disposition process. Following such Council and Board authorizations, the City and County would then jointly issue a Notice of Availability to commence with disposition of the Property. If no proposals are received within 60 days, the City and County could then list the Property for sale on the open market. However, if proposals are submitted within 60 days, then the City and County would be required to negotiate in good faith with the interested party for up to an additional 90 days. Overall, the entire process to ultimately sell the Property to a third party could take up to a year.

FISCAL IMPACT

The City and County have collected approximately a total of \$262,500 in rental income this year from the Raiders for interim rental of the Property prior to their move to Las Vegas. The funds are currently held with and being administered by the County as the lead agency. However, since the City's portion of the current estimated annual holding costs for the Property are expected to be approximately \$300,000.00, the City anticipates it will need additional funds in the amount of \$170,000.00 to cover any additional shortfall amounts. Therefore, in addition to an appropriation of the \$131,250 which represents the City's current 50 percent share of the rental proceeds, an additional \$170,000.00 has been identified and will need to be re-appropriated to cover any anticipated costs to manage and maintain the Property. Therefore, funds in the amount of \$170,000.00 have been identified in Entity (1), Coliseum Projects Fund (5650), Maintenance and Repair: Real Property Account (54612), General Coliseum Infrastructure Project (1001581), Program (SC12).

PUBLIC OUTREACH / INTEREST

Since 1995, the City and the County have worked tirelessly with the community, the Raiders and the NFL to facilitate the team's return to Oakland from Los Angeles, including the Loan and requirement to return the Property to the City and County. While the Raiders and NFL's ultimate decision was to leave Oakland, the overall process included input from both fans and the general public. No public outreach or coordination is required for this legislation for the City

and County to cooperate on joint ownership of the Property, other than the required posting on the City's website and newspaper to announce the public hearing required for the passage of this legislation.

COORDINATION

Staff from the City Administrator's Office along with staff from the Office of Economic and Workforce Development, Budget Bureau and the City Attorney's Office have coordinated together on the transaction and are also working in collaboration with their counterparts and colleagues from the County.

SUSTAINABLE OPPORTUNITIES

Economic: The proposed property management, interim maintenance and future disposition of the Property will rely on goods and services from many small and local business enterprises. Prior to vacating the Property, the Raiders left the names of companies it conducted business with in order to properly maintain and operate the Property. The City and the County intends to hire and continue business with many of the local businesses on the list.

Environmental: The County will serve as the lead under the TIC Agreement and will follow its rules and procedures.

Race and Equity: The County will serve as the lead under the TIC Agreement and will follow its rules and procedures.

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA)

Nothing in the report or proposed Ordinance authorizing the execution of a TIC 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 percent 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.

ACTION REQUESTED OF THE CITY COUNCIL

Staff Recommends That The City Council Adopt 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).

For questions regarding this report, please contact Larry Gallegos, Coliseum Area Manager, at lgallegos@oaklandca.gov or (510) 238-6174.

Respectfully submitted,



ELIZABETH LAKE
Deputy City Administrator, Real Estate & Major
Projects

Prepared by:
Larry Gallegos, Coliseum Area Manager

Attachments (2):

- A: Form of Proposed TIC Agreement
- B: Estimated Budget With County