

FILED  
OFFICE OF THE CITY CLERK  
OAKLAND

2016 SEP -1 AM 10: 27

APPROVED AS TO FORM AND LEGALITY:

BY: *Ryhl M*  
DEPUTY CITY ATTORNEY

## OAKLAND CITY COUNCIL

ORDINANCE No. 13394 C.M.S.

---

A CITY ORDINANCE (A) AUTHORIZING A 14TH AMENDMENT TO THE CITY CENTER DISPOSITION AND DEVELOPMENT AGREEMENT BETWEEN THE CITY OF OAKLAND AND OAKLAND T12 LLC FOR DEVELOPMENT OF PROPERTY LOCATED AT 601 12TH STREET TO EXTEND PERFORMANCE DATES AND TO ESTABLISH AND ACCEPT EXTENSION AND ADMINISTRATIVE FEES, AND (B) SEPARATELY AND INDEPENDENTLY RELYING ON (1) THE "T12 PROJECT CALIFORNIA ENVIRONMENTAL QUALITY ACT ("CEQA") ANALYSIS (ADDENDUM #6)" DATED MARCH 2016 TO (1) THE PREVIOUSLY CERTIFIED 2000 CITY CENTER ENVIRONMENTAL IMPACT REPORT, (2) THE PREVIOUSLY CERTIFIED 1998 LAND USE TRANSPORTATION ELEMENT ENVIRONMENTAL IMPACT REPORT AND (3) THE PREVIOUSLY CERTIFIED 2011 REDEVELOPMENT PLAN AMENDMENTS ENVIRONMENTAL IMPACT REPORT PER CEQA GUIDELINES SECTIONS 15164, 15183, 15183.3, AND 15168 AND 15180

**WHEREAS**, the Oakland Redevelopment Agency ("Agency"), the City of Oakland ("City") and Grubb & Ellis Development Company entered into a Disposition and Development Agreement dated November 4, 1970, as amended ("DDA") for a twelve-block area of downtown Oakland bounded by Broadway, 11th Street, Martin Luther King, Jr. Way and 14th Street, which is commonly referred to as the City Center Project; and

**WHEREAS**, on December 7, 2007, pursuant to the terms of the Twelfth Amendment to the DDA, the Agency sold property located at 601 12<sup>th</sup> Street ("Property") to Oakland T12 LLC ("Oakland T12") for development of an office tower ("T12 Project"); and

**WHEREAS**, Oakland T12 started T12 Project construction in October of 2008; and

**WHEREAS**, in December of 2008, Oakland T12 suspended construction on the T12 Project because of the national recession, and requested an extension of the date to complete the T12 Project; and

**WHEREAS**, in February 2011, pursuant to Agency Resolution No. 2010-0106 C.M.S. and City Ordinance No. 13037 C.M.S., the Agency, the City and Oakland T12 executed a Thirteenth Amendment to the DDA extending development completion deadlines for the T12 Project from April 2012 to April 2015, with two additional extension options of 12 months each; and

**WHEREAS**, after dissolution of the Agency in February of 2012, the Oakland Redevelopment Successor Agency (“ORSA”) was established as the successor to the Agency and assumed all rights and responsibilities of the Agency under the DDA; and

**WHEREAS**, Oakland T12 did not exercise its option to extend the development completion deadline for the T12 Project past the initial deadline of April 2015; and

**WHEREAS**, in April 2015, Oakland T12 informed the City and ORSA that it was evaluating resuming construction of the T12 Project given the current momentum in the regional office market; and

**WHEREAS**, Oakland T12 requested a 14<sup>th</sup> Amendment to the DDA to establish new T12 Project start and completion dates and to provide for certain extension and administrative fees to be paid to the City; and

**WHEREAS**, on October 20, 2015, ORSA, pursuant to Resolution No. 2015-007 and the City, pursuant to Resolution No. 85842 C.M.S., approved the assignment and assumption of the DDA from ORSA to the City; and

**WHEREAS**, on March 14, 2016, the Oakland Oversight Board (“OB”), pursuant to Resolution No. 2016-02, approved ORSA’s assignment of the DDA to the City, which assignment was approved by the California Department of Finance on June 30, 2016; and

**WHEREAS**, the City desires to amend the DDA per the request of Oakland T12 to facilitate development of the T12 Project on the Property; now therefore

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

**SECTION 1.** The City Council hereby authorizes the City Administrator or designee, to negotiate and execute a 14<sup>th</sup> Amendment to the City Center DDA (“14<sup>th</sup> Amendment”) that will (1) require that Project construction resume within eighteen (18) months following execution of the 14<sup>th</sup> Amendment (the “Initial Resumption Date”), conditioned on Oakland T12 making a payment of \$500,000 (“Initial Extension Payment”) to the City, (2) grant Oakland T12 two additional options to extend the Initial Resumption Date by twelve (12) months each for payments of \$250,000 for each 12-month extension (“Optional Extension Payments”), (3) extend the deadline for substantial completion of the Project to the date that is thirty months following the date the Oakland T12 resumes construction of the Project, and (4) require Oakland T12 to make annual payments to the City in the amount of \$50,000 as compensation for staff

costs related to the administration of the DDA until the completion of Project construction (“Administrative Cost Payments”).

**SECTION 2.** The Initial Extension Payment and Optional Extension Payments, if any, shall be deposited into the General Purpose Fund (1010), Project Implementation Org. (85221), Other Fees: Miscellaneous (45419), Non-Project (0000000), Downtown Redevelopment (SC13).

**SECTION 3.** The Administrative Cost Payments shall be deposited to the Central District Project Fund (5610), Project Implementation Org (85221), Other Fees: Miscellaneous (45419), Non-Project (0000000), Downtown Redevelopment (SC13).

**SECTION 4.** The City finds and determines, after separate and independent review and consideration of (1) the “T12 Project California Environmental Quality Act (“CEQA”) Analysis (Addendum #6)” dated March 18, 2016 to the previously certified 2000 City Center EIR and its 5 addenda, (2) the previously certified 1998 Land Use Transportation Element EIR, and (3) the previously certified 2011 Redevelopment Plan Amendments EIR, as supported by substantial evidence in the record and for the reasons set forth in the CEQA Findings adopted by the Planning Commission on April 6, 2016 in connection with its consideration of a Final Development Plan for the Project, that the proposed 14th DDA Amendment is exempt from any additional CEQA analysis under the “Community Plan Exemption” of Public Resources Code section 21083.3 (CEQA Guidelines §15183) and/or the “Qualified Infill Exemption” under Public Resources section 21094.5 (CEQA Guidelines §15183.3) and/or the “Redevelopment Projects” under Public Resources Code section 21090 (CEQA Guidelines §15180), and that the 2016 CEQA Analysis also constitutes an Addendum to the 2000 City Center EIR pursuant to Public Resources Code section 21166 (CEQA Guidelines §15162 and §15164) and that such Addendum determines that none of the three events requiring subsequent or supplemental environmental analysis as stipulated in Public Resources Code section 21166 have occurred, thus no additional environmental analysis beyond the 2000 City Center EIR and the 2016 CEQA Analysis is necessary.

**SECTION 5.** The City Administrator or her designee is authorized to negotiate and execute the 14<sup>th</sup> Amendment and take whatever action is necessary with respect to the Project and the 14<sup>th</sup> Amendment consistent with this Ordinance and its basic purposes.

**SECTION 6.** The 14th Amendment authorized hereunder shall be reviewed and approved as to form and legality by the City Attorney's Office prior to execution by the City and filed with the City Clerk.

**SECTION 7.** The City Administrator or designee is hereby authorized to file a Notice of Determination and a Notice of Exemption with the Office of the Alameda County Recorder and the State Office of Planning and Research, and to take any other action necessary in furtherance of the Project, consistent with this Ordinance and its basic purposes.

**SECTION 8.** The record before this Council relating to this Ordinance includes, without limitation, the following:

- A. All staff reports, decision letters and other documentation and information produced by or on behalf of the City, including without limitation the Planning Commission Report and all notices relating to this Ordinance and the DDA;
- B. All oral and written evidence received by City staff and the City Council before and during the consideration of this Ordinance, including without limitation the Planning Commission consideration of general plan conformity; and
- C. All matters of common knowledge and all official enactments and acts of the City, such as (1) the General Plan; (2) the Oakland Municipal Code, including without limitation, the Oakland real estate regulations; (3) the Oakland Planning Code; (4) other applicable City policies and regulations; and (5) all applicable state and federal laws, rules and regulations.

**SECTION 9.** The custodians and locations of the documents or other materials which constitute the record of proceedings upon with the City Council's decision is based are respectively (a) the Project Implementation Division, 250 Frank Ogawa Plaza, 5th Floor, Oakland, CA; (b) Planning and Building Department, 250 Frank Ogawa Plaza, 3rd, Floor, Oakland, CA; and (c) the Office of the City Clerk, 1 Frank Ogawa Plaza, 1st Floor, Oakland, CA.

**SECTION 10.** The recitals contained in this Ordinance are true and correct and are an integral part of the Council's decision.

**SECTION 11.** This Ordinance shall be in full force and effect immediately upon its passage 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, OCT 04 2016, 2016

**PASSED BY THE FOLLOWING VOTE:**

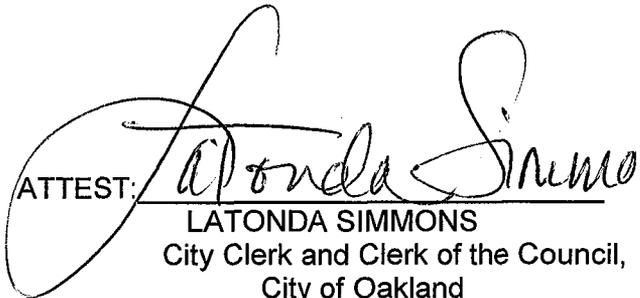
AYES- BROOKS, CAMPBELL WASHINGTON, GALLO, GUILLEN, KALB, KAPLAN, REID AND [REDACTED] - 7

NOES- 0

ABSENT- 0

ABSTENTION- 0

*Excused - Gibson McElhoney - 1*

ATTEST:   
LATONDA SIMMONS  
City Clerk and Clerk of the Council,  
City of Oakland

Introduction Date SEP 20 2016

*Date of Attestation* 10/24/2016