



FILED  
OFFICE OF THE CITY CLERK  
OAKLAND  
2015 JUL -9 PM 1:44

# AGENDA REPORT

**TO:** HONORABLE CITY COUNCIL

**FROM:** Sabrina B. Landreth

**SUBJECT:** Gateway Industrial District  
(Oakland Army Base)  
Community Facilities District

**DATE:** June 5, 2015

**COUNCIL DISTRICT:** 3

## RECOMMENDATION

Staff recommends the City Council accept:

- 1) **A Resolution Determining The Result Of The Special Mail Ballot Election Held In Community Facilities District No. 2015-1 (Gateway Industrial District) On July 21, 2015; And**
- 2) **First Reading Of An Ordinance Levying Special Taxes Within Community Facilities District No. 2015-1 (Gateway Industrial District)**

## OUTCOME

Approval of the proposed resolution and ordinance will result in the determination of the results of a special mail ballot election for Community Facilities District No. 2015-1 and the first reading of an ordinance to form Community Facilities District No. 2015-1 at Gateway Industrial District, located on the former Oakland Army Base, and authorize the levying of taxes to maintain the public improvements and infrastructure at the Gateway Industrial District.

## EXECUTIVE SUMMARY

A Community Facilities District (CFD) is proposed for the maintenance of the public improvements and infrastructure at Gateway Industrial District, located on the former Oakland Army Base and property on Frontage Road between 7<sup>th</sup> Street and West Grand Avenue. A CFD for Gateway Industrial District is being proposed in order to levy and collect funds from the development parcels at Gateway Industrial District to fund the maintenance and related costs required as conditions of approval for Gateway Industrial District.

Item: \_\_\_\_\_  
City Council  
July 21, 2015

A public hearing on formation of Community Facilities District No. 2015-1 (Gateway Industrial District), authorizing the levy of a special tax therein and determining the results of the special mail ballot election for Community Facilities District was held on July 21, 2015 at 7:00 pm.

### **BACKGROUND**

On October 23, 2012, pursuant to City Council Ordinance 13131 C.M.S., the City entered into a Lease Disposition and Development Agreement (the "LDDA") with Prologis CCIG Oakland Global (the "Developer") for the redevelopment of the Gateway Industrial District, located on the former Oakland Army Base. At the same time, pursuant to Ordinance 13131 C.M.S., the City engaged California Capital & Investment Group (CCIG) as its Manager for the design and construction of the public improvements, including new underground utilities, public streets and landscaping, and lighting, required to support vertical development at Gateway Industrial District.

On October 16, 2013, CCIG, acting as the City's Manager, entered into a Design Build Contract with Turner/Goodfellow Top Grade/Flatiron Joint Venture (the "Design Build Contractor") for the construction the Gateway Industrial District public improvements, including new underground utilities, public streets and landscaping, and lighting. Once constructed, such improvements require ongoing maintenance.

The City Council took the following actions at its June 17, 2015 meeting: adopted a resolution approving Amended and Restated Local Goals and Policies for Special Assessment and Mello-Roos Community Facilities District Financing, and adopted a Resolution of Intention of the City of Oakland to Establish City of Oakland Community Facilities District No. 2015-1 (Gateway Industrial District); Held a Public Hearing; Levy a Special Tax to Finance the Maintenance of Certain Public Improvements; and Approving a Proposed Boundary Map For Community Facilities District No. 2015-1 Pursuant to the Mello-Roos Community Facilities Act of 1982.

### **ANALYSIS**

The establishment of the proposed CFD will provide a permanent mechanism to guarantee funding for the maintenance of Gateway Industrial District, located on the former Oakland Army Base. The entire cost of the District, including any administrative costs incurred by the City, will be covered by the special tax to be levied on the property located within the District.

Staff is recommending the City Council take the next step in the formation of the CFD by adopting both the resolution determining of the results of the special mail ballot election for Community Facilities District No. 2015-1 and the ordinance levying a special tax to finance

Item: \_\_\_\_\_  
City Council  
July 21, 2015

certain public improvements and infrastructure at Gateway Industrial District. The CFD formation process requires that the City Council conduct a public hearing to adopt this resolution and ordinance.

The specific actions required by Council in this agenda item are:

July 21, 2015

- Adopt a resolution determining the result of the special mail ballot election held in Community Facilities District No. 2015-1 (This resolution states that more than two-thirds of all votes cast at the special mail election were in favor of the levying of a special tax. In fact the one vote cast was in favor of the levy of a special tax).
- Introduce ordinance levying special taxes within Community Facilities District No. 2015-1 (first reading).

Future actions include:

September 8, 2015

- Adopt final passage of ordinance levying special taxes within Community Facilities District No. 2015-1 (second reading).

### **PUBLIC OUTREACH/INTEREST**

The formation of the Community Facilities District is a statutory process that does not require any additional public outreach other than the required posting on the City's website for the proposed adoption of the resolutions and ordinance.

### **COORDINATION**

This action has been coordinated with City Budget Office, City Attorney's Office, California Capital & Investment Group (City's Manager), and Prologis CCIG Oakland Global (the Developer).

Item: \_\_\_\_\_  
City Council  
July 21, 2015

## **FISCAL IMPACT**

The proposed Community Facilities District No. 2015-1 (Gateway Industrial District) (the "District") will be fully supported by an annual special tax levied on certain real property within the District. The City's administrative costs related to the District will be reimbursed from the special tax proceeds. There will be no impact on the City's finances, budget or on the General Purpose Fund.

Staff anticipates tax revenue for CFD No. 2015-1 will be generated in early 2016. Additionally, staff anticipates the public improvements and infrastructure at Gateway Industrial District will become operational at this same time, in early 2016, and that the tax revenue generated will be sufficient to fund these initial maintenance requirements. In the event tax revenue is not generated in a timely manner, staff will look to the Project to fund any gap, and will upon receipt of tax revenue reimburse the Project for these costs. In the event the Project cannot fund any gap, staff will bring forward an item to Council, requesting General Fund monies to fund the gap, and will upon receipt of tax revenue, reimburse the General Fund for these costs.

## **SUSTAINABLE OPPORTUNITIES**

***Economic:*** The establishment of the Community Facilities District No. 2015-1 will provide a mechanism to fund the maintenance of public improvements including public access areas, public streets and bike and pedestrian trails in the Gateway Industrial District.

***Environmental:*** The District will ensure adequate maintenance for the Gateway Industrial District. The District will use, to the greatest extent possible, best management practices for maintaining the public improvements.

***Social Equity:*** The special tax will be apportioned in conformance with the Rate and Method of Apportionment based on square footage. The tax revenue generated will fund the maintenance of public improvements including public access areas, public streets, and bike and pedestrian trails in the Gateway Industrial District.

## **CEQA**

Pursuant to CEQA Guidelines Section 15378(b)(4), California law does not require CEQA compliance for actions required to create government funding mechanisms or other government fiscal activities which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment. The conditions of CEQA Guidelines Section 15378(b)(4) are satisfied for the actions required to form CFD No. 2015-1, as the District is formed solely for the purposes of maintaining the general public infrastructure

Item: \_\_\_\_\_  
City Council  
July 21, 2015

improvements, does not authorize or fund any construction of infrastructure or any private development by Developer, and the public infrastructure improvements to be maintained under this CFD are neither dependent upon the private development authorized under the LDDA, nor specific to any of the private development so authorized.

Additionally, the City previously prepared and certified/adopted a set of CEQA documents relating to the Oakland Army Base: the 2002 Oakland Army Base ("OARB") Redevelopment Plan Environmental Impact Report, which was a "project level" EIR pursuant to California Environmental Quality Act ("CEQA") Guidelines section 15180(b); the 2006 OARB Auto Mall Supplemental EIR and 2007 Addendum; and the 2009 Addendum for the Central Gateway Aggregate Recycling and Fill Project; while the Port prepared and adopted the Port's 2006 Maritime Street Addendum (collectively called "Previous CEQA Documents"). In addition, on June 19, 2012, the City Council, via Resolution No. 83930 C.M.S., approved the amended OARB Reuse Plan (Master Plan), including adopting the 2012 OARB Initial Study/Addendum ("IS/Addendum"), making related CEQA findings and adopting the Standard Conditions of Approval/Mitigation Monitoring and Reporting Program ("SCA/MMRP").

To the extent the action(s) required for the formation of CFD No. 2015-1 are a project, such actions are exempt from CEQA pursuant to CEQA Guidelines sections 15061(b)(3) (general rule) as the formation of CFD No. 2015-1 merely allows the City to set a voter approved special tax rate so that the City is able to pay for costs of maintaining City infrastructure and the City lacks discretion to shape or alter any development that has the potential to impact the environment. Formation of CFD No. 2015-1 is also exempt because actions required to approve the formation of CFD No. 2015-1 qualify under CEQA Guidelines Section 15273 (rates, tolls, fares, and charges) and the actual maintenance work that would be funded by the CFD No. 2015-1 qualifies as maintenance of existing facilities under CEQA Guidelines Section 15301 (existing facilities) or minor alterations to land for replacement work under CEQA Guidelines Section 15304 (minor alterations). Further, to the extent actions required to form CFD No. 2015-1 are considered a project in furtherance of the OARB redevelopment, none of the circumstances necessitating preparation of additional CEQA review as specified in CEQA and the CEQA Guidelines, including without limitation Public Resources Code Section 21166 and CEQA Guidelines Sections 15162 and 15163 are present in that:

1. There are no substantial changes in the improvements proposed to be maintained with the CFD No. 2015-1 funding that would result in new significant environmental impacts or a substantial increase in the severity of significant impacts already identified in the Previous CEQA Documents and the IS/Addendum;

Item: \_\_\_\_\_  
City Council  
July 21, 2015

2. There are no substantial changes in circumstances that would result in new significant environmental impacts or a substantial increase in the severity of significant impacts already identified in the Previous CEQA Documents and IS/Addendum; and
3. There is no new information of substantial importance, which was not known and could not have been known with the exercise of reasonable diligence at the time the Previous CEQA Documents and IS/Addendum were adopted, which is expected to result in (a) new significant environmental effects or a substantial increase in the severity of significant environmental effects already identified in the Previous CEQA Documents and IS/Addendum; or (b) mitigation measures which were previously determined not to be feasible would in fact be feasible, or which are considerably different from those recommended in the Previous CEQA Documents and IS/Addendum and which would substantially reduce significant effects of the project, but the City declines to adopt them.

Thus, in considering the actions required to form CFD No. 2015-1, the City can continue to rely on the Previous CEQA Documents and the IS/Addendum.

For questions regarding this report, please contact John Monetta, Project Manager I, at (510) 238-7125.

Respectfully submitted,



---

Sabrina B. Landreth  
City Administrator

Reviewed by:

Doug Cole, Project Manager III  
Office of the City Administrator  
Oakland Army Base Project

Prepared by:

John Monetta, Project Manager I  
Office of the City Administrator  
Oakland Army Base Project

Item: \_\_\_\_\_  
City Council  
July 21, 2015

FILED  
OFFICE OF THE CITY CLERK  
OAKLAND

2015 JUL -9 PM 1:44

APPROVED AS TO FORM AND LEGALITY  
*[Signature]*  
OFFICE OF THE CITY ATTORNEY

# OAKLAND CITY COUNCIL

## RESOLUTION NO. \_\_\_\_\_ C.M.S.

### A RESOLUTION DETERMINING THE RESULT OF THE SPECIAL MAIL BALLOT ELECTION HELD IN COMMUNITY FACILITIES DISTRICT NO. 2015-1 (GATEWAY INDUSTRIAL DISTRICT) ON JULY 21, 2015

**WHEREAS**, on June 17, 2015, pursuant to Resolution No. \_\_\_\_ C.M.S., the City Council of the City of Oakland (“**City Council**”) adopted its resolution of intention to establish City of Oakland Community Facilities District (“**CFD**”) No. 2015-1 (Gateway Industrial District) (the “**District**”) and to authorize the levy of special taxes to pay the costs of certain public services (the “**Services**”) to be provided within the District pursuant to the Mello-Roos Community Facilities Act of 1982 (the “**Act**”) (the “**Resolution of Intention**”); and

**WHEREAS**, the Resolution of Intention incorporated by reference a map of the proposed boundaries of the District (attached as *Exhibit 3* to the Resolution of Intention), described the Services eligible to be funded by the District (attached as *Exhibit 1* to the Resolution of Intention), and the rate and apportionment of the special tax to be levied within the District (“**Rate and Method**”) to pay for such public services (attached as *Exhibit 2* to the Resolution of Intention); and

**WHEREAS**, on July 21, 2015, the City Council adopted Resolution No. \_\_\_\_ C.M.S. (“**Resolution of Formation**”), ordering the formation of CFD No. 2015-1 and authorizing the levy of a special tax (“**Special Tax**”) on property within the CFD to pay for the specified public services, pursuant to the the Act; and

**WHEREAS**, the Resolution of Intention and all of its attachments and the Resolution of Formation are on file with the City Clerk of the City of Oakland (“**City Clerk**”) and the provisions thereof are incorporated herein by this reference as if fully set forth in this resolution; and

**WHEREAS**, on this date, the City Council adopted Resolution No. \_\_\_\_\_ C.M.S., entitled "Resolution of the Council of the City of Oakland Calling Special Mailed-Ballot Election For Qualified Electors of Community Facilities District No. 2015-1" ("**Election Resolution**"), to submit to the qualified electors of the CFD the question of the formation of the CFD and the levy of the Special Tax; and

**WHEREAS**, pursuant to the Resolution of Formation and Election Resolution, immediately following the adoption of the Election Resolution, the City Clerk submitted to the qualified electors of the District, consisting of the City of Oakland as the only qualified elector within the CFD, the question of the levy of the Special Tax and the establishment of the CFD, as required by the provisions of the Act; and

**WHEREAS**, pursuant to the terms of the Election Resolution, which are by this reference incorporated herein, the special election has been held and the City Clerk has duly canvassed the votes cast and has certified the result in a Certificate of Election Results (the "**Canvass**"). The Canvass is on file with the City Clerk and a copy is attached hereto as Exhibit A; and

**WHEREAS**, the City Council has reviewed the Canvass, finds it appropriate and wishes to complete its proceedings for the CFD; now, therefore be it

**RESOLVED**: That all of the above recitals are true and correct, and the City Council so finds and determines; and be it

**FURTHER RESOLVED**: That the City Council hereby approves and confirms the results of the election, as detailed in the Canvass, including the total of one vote cast by the City for question presented to the CFD in the Election Resolution; and be it

**FURTHER RESOLVED**: That at the mail ballot election called by the Election Resolution, the City Clerk submitted to the City of Oakland, the one qualified voter in the District, the question whether a Special Tax should be levied within the District to pay for specified public Services and incidental expenses, identified in more detail in the Resolution of Intention and Resolution of Formation; and be it

**FURTHER RESOLVED**: That according to the Canvass, the one vote cast by the City of Oakland, which provided the more than two-thirds (2/3) votes needed in favor of the question presented. As a result, the qualified elector of the CFD approved the levy of the Special Tax, and the CFD has been duly organized and is duly authorized to finance the public Services and to levy the Special Tax described in the question and in the Resolution of Intention and Resolution of Formation; and be it



Exhibit A

**FURTHER RESOLVED:** That the City Clerk is hereby directed to enter this resolution on the minutes of the City Council, which shall constitute the official declaration of the result of the special mail ballot election, and is hereby further authorized and directed to record a notice of special tax lien in the Office of the Clerk- Recorder of the County of Alameda in accordance with the provisions of Section 3114.5 of the Streets and Highways Code.

IN COUNCIL, OAKLAND, CALIFORNIA, \_\_\_\_\_, 2015

**PASSED BY THE FOLLOWING VOTE:**

AYES - BROOKS, CAMPBELL WASHINGTON, GALLO, GUILLEN, KALB, KAPLAN, REID AND PRESIDENT GIBSON MCELHANEY

NOES-

ABSENT-

ABSTENTION-

ATTEST:

\_\_\_\_\_  
LaTonda Simmons  
City Clerk and Clerk of the  
Council of the City of Oakland, California

CERTIFICATE OF ELECTON RESULTS  
FOR THE SPECIAL ELECTION HELD  
IN THE CITY OF OAKLAND  
COMMUNITY FACILITIES DISTRICT  
NO. 2015-1  
(GATEWAY INDUSTRIAL DISTRICT)  
ON JULY 21, 2015

I, LaTonda Simmons, City Clerk of the City of Oakland, certify that:

I personally counted the ballots cast at the special election held on July 21, 2015, called by the City Council in Resolution No. \_\_\_\_\_ for Community Facilities District No. 2015-1 (Gateway Industrial District), adopted on \_\_\_\_\_, and I hereby certify the result of that count to be as follows:

TOTAL VOES CAST "YES": \_\_\_\_\_

TOTAL VOTES CAST "NO": \_\_\_\_\_

TOTAL VOTES CAST: \_\_\_\_\_

THE VOTES CAST "YES" EQUAL \_\_\_\_\_% OF THE TOTAL VOTES CAST.

Dated: \_\_\_\_\_, 2015

CITY OF OAKLAND

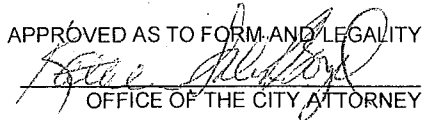
By: \_\_\_\_\_

LaTonda Simmons  
City Clerk and Clerk of the  
Council of the City of Oakland, California

FILED  
OFFICE OF THE CITY CLERK  
OAKLAND

2015 JUL -9 PM 1:44

APPROVED AS TO FORM AND LEGALITY

  
OFFICE OF THE CITY ATTORNEY

## OAKLAND CITY COUNCIL

ORDINANCE NO. \_\_\_\_\_ C.M.S.

---

---

AN ORDINANCE LEVYING SPECIAL TAXES WITHIN  
COMMUNITY FACILITIES DISTRICT NO. 2015-1  
(GATEWAY INDUSTRIAL DISTRICT)

WHEREAS, on June 17, 2015, the City Council of the City of Oakland (“**City Council**”) adopted Resolution No. \_\_\_\_\_ C.M.S. entitled, “A Resolution of Intention of The City of Oakland to Establish City of Oakland Community Facilities District No. 2015-1 in the Gateway Industrial District, Levy a Special Tax to Finance Certain Public Services and Approve a Proposed Boundary Map For Community Facilities District No. 2015-1” (“**Resolution of Intention**”) wherein it declared its intention to establish a community facilities district to be known as “Community Facilities District No. 2015-1 (Gateway Industrial District)” (“**CFD No. 2015-1**”) and to levy a special tax (“**Special Tax**”) to pay the costs of certain public services pursuant to the Mello-Roos Community Facilities Act of 1982, Government Code section 53311 et seq. (“**Act**”); and

WHEREAS, the Resolution of Intention incorporated by reference a map of the proposed boundaries of CFD No. 2015-1 (attached as *Exhibit 3* to the Resolution of Intention), described the maintenance and administrative costs eligible to be funded by CFD No. 2015-1 (collectively “**Services**”) (attached as *Exhibit 1* to the Resolution of Intention), and the rate and apportionment of the Special Tax to be levied within CFD No. 2015-1 (“**Rate and Method of Apportionment**”) to pay for such public services (attached as *Exhibit 2* to the Resolution of Intention). The Resolution of Intention and all of its attachments are on file with the City Clerk of the City of Oakland (“**City Clerk**”) and the provisions thereof are incorporated herein by this reference as if fully set forth in this resolution; and

WHEREAS, on July 21, 2015, the City Council conducted a public hearing on the formation of the CFD, determined that a majority protest under Section 53324 of the Government Code was not made at the hearing, and adopted Resolution No. \_\_\_\_\_ C.M.S. (“**Resolution of Formation**”), pursuant to Section 53325.1 of the Government Code, thereby completing its proceedings for formation of proposed community facilities district. The Resolution of Formation is on file with the City Clerk and the provisions thereof are incorporated herein by this reference as if fully set forth in this resolution; and

**WHEREAS**, on July 21, 2015, following adoption of the Resolution of Formation, the Council adopted Resolution No. \_\_\_\_\_ C.M.S. calling an election within CFD No. 2015-1 on the proposition of levying the Special Tax within CFD No. 2015-1; and

**WHEREAS**, on July 21, 2015 an election was held within CFD No. 2015-1 in which the only qualified elector, the City of Oakland, unanimously approved the levy of the Special Tax; now, therefore,

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

**SECTION 1.** The Council finds and determines the foregoing recitals to be true and correct and hereby makes them a part of this Ordinance.

**SECTION 2.** The City Council hereby authorizes the levy of the Special Tax within CFD No. 2015-1, pursuant to the Act, in accordance with the Rate and Method of Apportionment incorporated by reference in *Exhibit 2* to the Resolution of Intention and as approved by the Resolution of Formation.

**SECTION 3.** The Special Tax is hereby levied commencing in the first fiscal years' indicated in the Rate and Method of Apportionment and in each fiscal year thereafter, adjusted as provided for in the Rate and Method of Apportionment.

**SECTION 4.** The Treasurer of the City ("**Treasurer**") is hereby authorized and directed for each fiscal year to determine the Special Tax rate and amount to be levied for each parcel of real property within CFD No. 2015-1, in the manner and as provided in the Rate and Method of Apportionment.

**SECTION 5.** Properties or entities of the State, federal or local government shall be exempt from any levy of the Special Tax to the extent set forth in the Rate and Method of Apportionment.

**SECTION 6.** The Special Tax shall be used to pay for the costs of the Services, a description of which is incorporated in *Exhibit 1* of the Resolution of Intention, including the costs of collecting the special taxes and administering CFD No. 2015-1.

**SECTION 7.** The Special Taxes shall be collected from time to time as necessary to meet the financial obligations of CFD No. 2015-1 on the secured real property tax roll in the same manner as ordinary ad valorem taxes are collected. The Special Taxes shall have the same lien priority, and be subject to the same penalties and the same procedure and sale in cases of delinquency as provided for ad valorem taxes. In addition, the provisions of Section 53356.1 of the Government Code shall apply to delinquent Special Tax payments. The Treasurer is hereby authorized and directed to provide all necessary information to the auditor/tax collector of Alameda County and to otherwise take all actions necessary in order to effect proper billing and collection of the Special Tax, so that the Special Tax shall be levied and collected in sufficient amounts and at the times necessary to satisfy the financial obligations of CFD No. 2015-1 in each fiscal year.

**SECTION 8.** Notwithstanding the foregoing, the Treasurer may collect one or more installments of the Special Taxes on any one or more parcels in CFD No. 2015-1 by means of direct billing of the property owners of CFD No. 2015-1, if in the judgment of the Treasurer, such means of collection will reduce the administrative burden in administering CFD No. 2015-1 or is otherwise appropriate.

**SECTION 9.** If for any reason any portion of this Ordinance is found to be invalid, or if the Special Tax is found inapplicable to any particular parcel within the CFD No. 2015-1 by a court of competent jurisdiction, the balance of this Ordinance and the application of the Special Tax to the remaining parcels within the Improvement Area shall not be affected.

**SECTION 10.** The President of the Council shall sign this Ordinance and the Clerk of the City Clerk of the Council shall attest to the President's signature and then cause the same to be published within fifteen (15) days after its passage at least once in Oakland Tribune, a newspaper of general circulation published and circulated in the area of Community Facilities District No. 2015-1.

**SECTION 11.** This Ordinance relating to levy and collection of special taxes in Community Facilities District No. 2015-1 of the City of Oakland shall take effect immediately upon its passage in accordance with the provisions of Section 25123(c) of the California Government Code, and the specific authorization for adoption is pursuant to the provisions of Section 53340 of the Government Code.

IN COUNCIL, OAKLAND, CALIFORNIA, \_\_\_\_\_, 2015

**PASSED BY THE FOLLOWING VOTE:**

AYES- BROOKS, CAMPBELL WASHINGTON, GALLO, GUILLEN, KALB, KAPLAN, REID AND PRESIDENT GIBSON MCELHANEY

NOES-

ABSENT-

ABSTENTION-

ATTEST: \_\_\_\_\_

LaTonda Simmons  
City Clerk and Clerk of the  
Council of the City of Oakland, California

**NOTICE AND DIGEST**

**ORDINANCE LEVYING SPECIAL TAXES WITHIN THE  
COMMUNITY FACILITIES DISTRICT NO. 2015-1  
(GATEWAY INDUSTRIAL DISTRICT)**

This ordinance authorizes the City to levy a special tax within Community Facility District No. 2015-1 (Gateway Industrial District)