

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

OFFICE OF THE CITY CLERK
CITY OF OAKLAND

2005 OCT 19 PM 6:59

TO: Office of the City / Agency Administrator
ATTN: Deborah Edgerly
FROM: Community and Economic Development Agency
DATE: October 25, 2005

RE: REDEVELOPMENT AGENCY RESOLUTION AUTHORIZING AN OWNER PARTICIPATION AGREEMENT WITH JACKSON CENTER TWO, LLC, FOR THE DEVELOPMENT OF A MIXED-USE PROJECT WITH A PUBLIC PARKING GARAGE AT 235 12TH STREET IN THE CENTRAL DISTRICT THAT INCLUDES AN AGENCY REBATE OF THE NET PROPERTY TAX INCREMENT GENERATED BY THE PROJECT

SUMMARY

A resolution has been prepared authorizing the Redevelopment Agency to enter into an Owner Participation Agreement (“OPA”) with Jackson Center Two, LLC, for the development of a mixed-use project that will include at least 100 condominium units with parking, 5,000 square feet of commercial/retail with parking, and 163 public parking spaces at 235 12th Street (the “Project”). Jackson Center Two, LLC, (the “Developer”) is a limited liability company set up for the development of the Project with Chengben Wang as managing member. The Agency is being asked to rebate the net property tax increment revenue -- that is, the tax increment available after the housing set-aside and pass-throughs to other taxing entities are made -- to assist in financing of public parking (see Exhibit A, Term Sheet, for the details of the proposed OPA). The Developer has requested a rebate of the gap between the cost to develop the public parking and the value of the public parking. The proposed rebate is approximately \$3.2 million over the term of the OPA.

FISCAL IMPACTS

Approval of the OPA will cost the Agency approximately \$3.2 million in tax increment rebates over eleven years. The rebate for the first year, FY 2008-09, is estimated to be \$269,267. The Redevelopment Agency will receive approximately \$1.5 million for the Low and Moderate Income Housing Fund and approximately \$1.1 million in net tax increment from the Project after the rebate is complete, FY 2018-19 through FY 2021-22, when the Central District Plan terminates. (See Exhibit B, Tax Increment Analysis.)

The City will receive approximately \$688,000 in parking tax revenue from the garage in the initial 14 years, FY 2008-09 through FY 2021-22. This is approximately \$40,000 per year in additional General Fund revenue beginning in FY 2008-09. The City will also receive its share of property tax pass-throughs to other taxing entities from the Project, about \$33,000 in FY 2008-09 and a total of \$403,536 through FY 2021-22.

Item: _____
CED Committee
October 25, 2005

BACKGROUND

Chengben (Peter) Wang of Encinal Real Estate is the developer and managing member of Jackson Center Two, LLC. As part of the Jackson Center I Project, the Developer purchased the one block site of the former State Building at 1111 Jackson and renovated the 8-story, 156,000 square foot office building which occupied about half of the site. The Jackson Center I Project was completed in 2002-03. The Developer is now proposing to develop a mixed-use, primarily residential, project with 104 units, 5,000 square feet of retail space and 281 parking spaces for residents' and public parking, on the other half of the site. The two phases are on the east and west half of the block bounded by Jackson, Alice, 11th and 12th Streets. The Project initially received planning approvals on September 3, 2003. The Project returned to design review for revisions to increase the height one-story, from seven to eight, and increased parking by 122 spaces, from 159 to 281. The revised design was conditionally approved September 16, 2005.

KEY ISSUES AND IMPACTS

Need for Public Parking

In 1999 the Redevelopment Agency began the 10K Housing Program. From the start, the Agency targeted under-developed sites, primarily parking lots, for redevelopment into housing. Counting projects completed and in process, the 10K Program will eliminate approximately 2,000 parking spaces. The 2003 Downtown Transportation and Parking Plan estimated that the demand over the next 20 years would be approximately 3,600 spaces, primarily in City Center, Upper Lake Merritt, Chinatown and Old Oakland. The Redevelopment Agency realizes that the financial strength of the downtown office market depends on the availability of hourly, daily and monthly parking for employees and visitors. Convenient parking is even more critical to retail, restaurant, and entertainment activities in the area. The Redevelopment Agency has therefore targeted parking development in the Central District Capital Budget for 2005-07. The Agency plans to replace over 300 of the more than 1,000 public spaces that will be lost when the Uptown project is developed by expanding the City's Telegraph Plaza Garage. To replace the other scattered parking, particularly in Old Oakland and Chinatown, the Agency is proposing to encourage private developers to construct public parking with tax increment rebates. This will allow the Agency to encourage development without committing any of its current capital or have to directly finance the garages and be liable for shortfalls should revenue not cover operating and debt service costs as happened at City Center West Garage.

PROJECT DESCRIPTION

The Developer is proposing a mixed-use project that will include at least 100 condominium units, retail and parking on the west side of the block bounded by Jackson, Alice, 11th and 12th

Streets. (See Exhibit C, Schematic Design.) The parking will be divided into 104 spaces of parking for the residents, 14 spaces of parking for the commercial space, and 163 spaces of public parking. The Developer has requested a rebate of the gap between the cost to develop the public parking, \$3.9 million at \$24,000 per space, and the value of the public parking, \$1.9 million based on the net income of \$161,957 per year divided by a capitalization rate of 8.5%. The proposed rebate is \$2,006,626 in current dollars, or just over half of the construction costs. Since the rebate will be made over time, the developer has also requested an 8.5% return, a low rate of return for a developer risking his equity but normal for a stable investment. Given the estimated net tax increment available, the rebate is approximately \$3.2 million paid out between 2009 and approximately 2019, although if values and taxes are less than anticipated, the rebates could continue until 2022, the current end of the Agency's ability to collect tax increment in the Central District. The net present value ("NPV") of this stream of income is \$2,398,382 when discounted by the Agency cost of funds, 5.0%, and \$2,006,558 when discounted by the developers required return, 8.5%. The difference between these, \$391,824, is the cost for the developer risk on the project.

For this parking to be utilized as public parking, the Project will require a major conditional use permit for fee parking. The OPA will require the Developer to obtain both a certificate of occupancy and the major conditional use permit, and begin operations of the public parking garage before the Agency is required to rebate any tax increment.

In addition to requiring the whole Project to be developed with all of the City's employment and contracting programs -- Local/Small Local Business Enterprise for Construction and Professional Services, Local Employment for Construction, First Source Hiring, prevailing wages, living wages for the garage operations and activities in the retail space, etc. -- the Developer has committed to constructing the Project with a project labor agreement.

ALTERNATIVES

The Redevelopment Agency can develop parking directly as it did on the City Center West Garage or the Agency can purchase parking as part of other projects as it did in the UCOP Garage or Franklin 88 Garage. When the parking was purchased as part of the negotiated land price at Franklin 88 in 2001, the Agency paid \$24,578 per space. Concrete and steel costs have subsequently risen substantially. The current cost of parking -- land, design and construction -- is approximately \$30,000 per space. To buy or build needed parking, the Agency would need to raise tens of millions in capital and still be liable for shortfalls should revenue not cover operating and debt service costs. Because the parking is part of the larger project, Jackson Center Two, LLC has only requested assistance with half of the construction costs for the parking, \$12,310 per space out of the estimated costs of \$24,000 per space, and not all of the development costs. If the Agency was to cover the full cost of parking development, \$30,000

per space, the current cost would increase by \$978,000 and rebate of all of the net tax increment, an additional \$1.1 million, would not be enough to cover the Developer's required return.

SUSTAINABLE OPPORTUNITIES

Economic

The Project will take a blighted and underutilized site and turn it into an economically productive use by building a mixed-use residential project that includes retail/commercial and public parking components. The Project will generate additional parking tax revenue for the City's General Fund beginning in FY 2008-09 and produce \$1.1 million in additional tax increment for the Agency between 2018 and 2022.

Environmental

By developing in already built-up areas, this Project reduces the pressure to construct on agricultural and other undeveloped land, and thereby contributes to the prevention of urban sprawl. Moreover, the site is three blocks from the Lake Merritt BART Station and construction of high density housing here will encourage use of public transit.

Social Equity

The Project will comply with the City's contracting programs, including the Small/Local Business Construction Program, the Small/Local Business Professional Services Program (L/SLBE) and the Local Employment Program. All of the workers performing construction work for Agency funded projects must be paid prevailing wage rates. The public garage and retail will also be subject to the Living Wage Ordinance. The Project will also generate \$1.5 million in tax increment for the Low and Moderate Income Housing Fund for affordable housing. The Developer has also committed to constructing the Project with a project labor agreement.

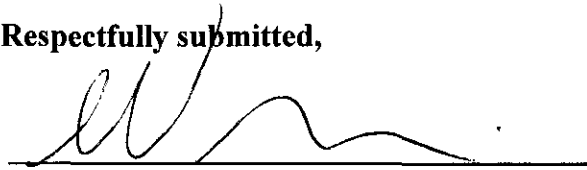
DISABILITY AND SENIOR CITIZEN ACCESS

The Project, including the public parking, will be new construction and will be required to comply with state and federal accessibility requirements, including Federal ADA Accessibility Guidelines and the State of California's Title 24 Accessibility regulations. The garage will include eight handicapped parking spaces.

ACTION REQUESTED OF THE COUNCIL AND AGENCY MEMBERS

Staff recommends that the Agency approve the attached resolution that authorizes the Agency Administrator to negotiate and execute an owner participation agreement with Jackson Center Two, LLC, for the development of the Project, and requires the Agency to rebate to Jackson Center Two, LLC, the net tax increment generated by the Project, through 2022, until the net present value of the rebate equals \$2,006,626.

Respectfully submitted,



Dan Vanderprieem, Director of Redevelopment,
Economic Development and Housing

Prepared by:
Patrick Lane
Redevelopment Manager - West

APPROVED FOR FORWARDING TO
THE COMMUNITY AND ECONOMIC
DEVELOPMENT COMMITTEE



OFFICE OF THE CITY MANAGER/
AGENCY ADMINISTRATOR

EXHIBIT A

TERM SHEET Jackson Center Two

The following terms will be incorporated into an Owner Participation Agreement (“OPA”) for the Jackson Center Two Project between the Redevelopment Agency of the City of Oakland and Jackson Center Two, LLC, a limited liability company set up for the development of the project with Chengben Wang as managing member. The proposed project at 235 12th Street includes the development of public parking, condominiums, retail/commercial, and parking for these uses. These terms will be used to draft an OPA, which will then need to be taken to the City Council/Redevelopment Agency Board for approval.

1. Scope

- 1.1. Jackson Center Two, LLC, shall design, construct and sell or operate the following improvements (together known as the “Project”):
 - 1.1.1 Jackson Center Two, LLC, will develop at least 163 public parking spaces.
 - 1.1.2 Jackson Center Two, LLC, will develop at least 100 residential condominiums with one parking space per condominium. Current plans include 104 units.
 - 1.1.3 Jackson Center Two, LLC, will develop approximately 5,000 square feet of retail/commercial space.

2. Financial

- 2.1. Jackson Center Two, LLC, will complete development of the Project without any up-front Agency assistance.
- 2.2 The Agency will rebate to Jackson Center Two, LLC the net tax increment generated by the Project after a certificate of occupancy is received. This rebate will be net of tax increment revenues currently generated by the property, all pass-throughs to the County, ERAF, or other taxing entities, the set-asides to the Low and Moderate Income Housing Fund, etc. The Agency’s obligation will last until (1) the cumulative stream of rebates equals \$2,006,626 plus a return of 8.5%, or (2) FY 2021-22, the current end of the Central District Plan, whichever is reached first. The \$2,006,626 million figure is the difference between the development costs of the parking (\$24,000 per space or \$3,912,000) and the value of the public parking (annual net income of \$933.60 per space/ 8.5% capitalization rate or \$1,905,374).

[See attached Tax Increment Analysis of Public Parking for Jackson Center II.]

Item: _____
CED Committee
October 25, 2005

3. Design and Construction

- 3.1. Within 12 months of execution of the OPA, Jackson Center Two, LLC, will complete the design, obtain approvals, and initiate construction of the Project.
- 3.2. Within 36 months of execution of the OPA, Jackson Center Two, LLC, will complete construction of the Project.

4. General Provisions

- 4.1. At least half of the parking, 82 spaces, will be reserved for daily and hourly visitors.
- 4.2. The 163 spaces must be operated as a public parking garage. Not more than half of the spaces may be provided on a monthly basis, with the rest provided on an hourly and daily basis. A public parking garage is a parking facility that is available to members of the public on a first come, first served basis. This offer is to be made to all property owners, businesses and employees in the area.
- 4.3. The Project, including without limitation the garage operations, will be subject to applicable provisions of the City's Living Wage requirements. The Project would be built with prevailing wage and would be subject to the other City employment and contracting requirements (LBE/SLBE, etc.). The owner has agreed to negotiate a project labor agreement.
- 4.4. The OPA will be a recorded restriction on the garage property.

EXHIBIT B

**TAX INCREMENT ANALYSIS
Jackson Center Two**

Jackson Center II
Public Parking Financial Analysis

			Net Income \$/Year/ Space	Total \$/Year	Value 8.5% Cap Rate
Monthly	163 spaces	\$60/month net	\$720	\$117,360	\$1,380,706
Daily	163 spaces	\$8/day * 22 days	\$1,267	\$206,554	\$2,430,042
Hourly	163 spaces	\$2/hour*8*22*	\$2,534	\$413,107	\$4,860,085
Half Monthly & Half Daily			\$994	\$161,957	\$1,905,374
Development	163 spaces	cost per space	\$24,000		\$3,912,000
Financing Gap					(\$2,006,626)
Total Project Value					\$42,571,922

		Gross	Tax Increment Net	City PassThru	Estimated Parking Tax
First Full Tax Year	2009	\$489,577	\$269,267	\$33,291	\$40,291
	2010	\$499,369	\$274,653	\$33,957	\$41,499
	2011	\$509,356	\$280,146	\$34,636	\$42,744
	2012	\$519,543	\$285,749	\$35,329	\$44,027
	2013	\$529,934	\$291,464	\$36,036	\$45,347
	2014	\$540,533	\$297,293	\$36,756	\$46,708
	2015	\$551,343	\$303,239	\$37,491	\$48,109
	2016	\$562,370	\$309,304	\$38,241	\$49,552
	2017	\$573,618	\$315,490	\$39,006	\$51,039
	2018	\$585,090	\$321,799	\$39,786	\$52,570
	2019 partial	\$596,792	\$239,000	\$40,582	\$54,147
Total		\$5,957,524	\$3,187,403		
Net Present Value @ 8.5%			\$2,006,558		
Net Present Value @ 5.0%			\$2,398,382		
Difference			\$391,824		

2019 partial	\$596,792	\$89,235		
2020	\$608,728	\$334,800	\$41,393	\$55,772
2021	\$620,902	\$341,496	\$42,221	\$57,445
2022	\$633,320	\$348,326	\$43,066	\$59,168

	Housing Set Aside	After Rebate	City PassThru	Parking Tax
Net Agency/City Taxes	\$2,104,317	\$1,113,858	\$531,792	\$688,417

Item: _____
CED Committee
October 25, 2005

EXHIBIT C
SCHEMATIC DESIGN



JACKSON CENTER 2

OAKLAND, CALIFORNIA

ENCINAL JACKSON, LLC

OWNER

BOVIS LEND LEASE INC.

GENERAL CONTRACTOR

BRAND + ALLEN ARCHITECTS INC.

ARCHITECT OF RECORD

KWAN HENMI ARCHITECTURE/PLANNING INC.

DESIGN ARCHITECT



Owner
 Encinal Jackson, LLC
 P.O. Box 7022
 Alhambra, CA 91801
 T 626 286 9888
 F 626 286 9514
 Contact: Christopher Wang

Architect
 Kwan Henmi
 1 Beach Street
 Suite 100
 San Francisco, CA 94133
 T 415 777 0700
 F 415 771 5182
 Contact: Neil Phillips

Jackson Center 2 Oakland, California

NOTE: If this drawing is not 36" x 48" it has been reduced from its original size. Scale noted on drawings/notes are to larger conditions.

© 2007 KwanHenmi Architecture/Planning Inc.

Rev. Date Remarks

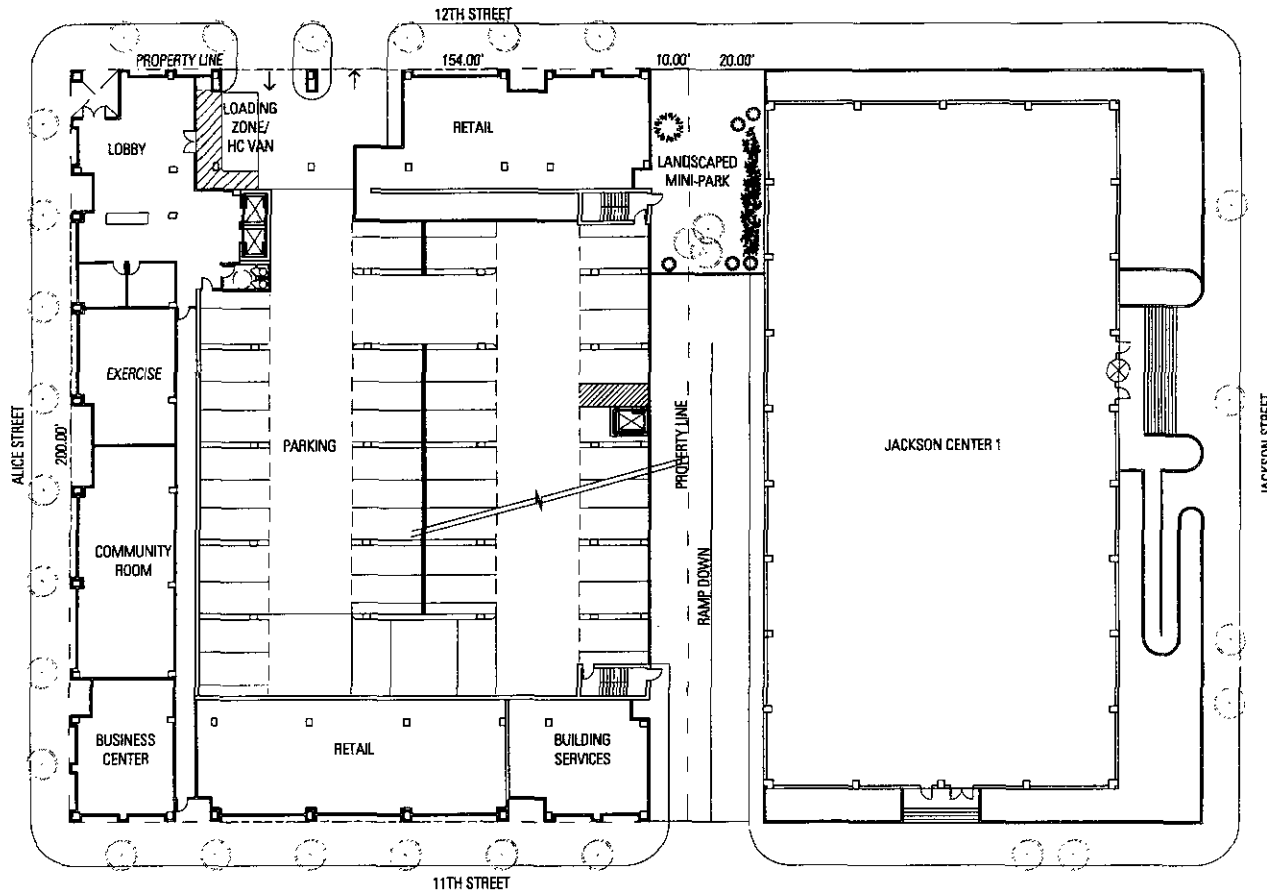
SCHEMATIC DESIGN SET

Date: 05/16/08
 Scale: 1/4" = 1'-0"
 Project Name: Jackson Center 2
 Project No: 0408.00
 Drawing Title:

Sheet No.
A0.00

PROJECT DATA

SITE AREA	32,800SF (.752 ACRES)
DWELLING UNITS	
1 BR	44 DU
1BR + DEN	9 DU
2BR	45 DU
2BR W/3BR OPTION	6 DU
TOTAL	104 DU
RESIDENTIAL AREA (Including Circulation)	138,462 SF
GROUND FLDR RETAIL	5,000 SF
TOTAL FAR AREA	143,462 SF
FAR	4.37:1
PARKING	
Residential Parking	123 Cars
Jackson Center One Parking	120 Cars
Retail Parking	36 Cars
Total Parking (Inc. 9 HC Spaces)	281 Cars
PARKING	100,614 SF
TOTAL BUILDING AREA (Including Basement)	244,076 SF
OPEN SPACE	
Required: 104DU X 75 SF	7,800 SF
Provided:	
Common @ 100%	3,880 SF
Private @ 200%	11,296 SF
TOTAL	15,176 SF



1 SITE PLAN
SCALE: 1/16" = 1'-0"



Owner
 Oakland Jackson, LLC
 P.O. Box 2623
 Alameda, CA 94521
 T: (415) 528-8080
 F: (415) 528-8154
 Contact: Chinghan Wang

Architect
 Essex Reed
 1 Bay Street
 Suite 102
 San Francisco, CA 94133
 T: (415) 777-0776
 F: (415) 777-8122
 Contact: Ned Pelton

Jackson Center 2
 Oakland, California

NOTE: If this drawing is not 35% 20% it has been revised from its original size. Scale noted on drawing/panels are no longer applicable.

© 2022 KwanHwaami Architecture/Planning, Inc.

Rev. Date Remarks

DESIGN REVIEW SUBMITTAL

Date: 04.18.22
 Scale: 1/16" = 1'-0"
 Project Name: Jackson Center 2
 Project No: 0022-02

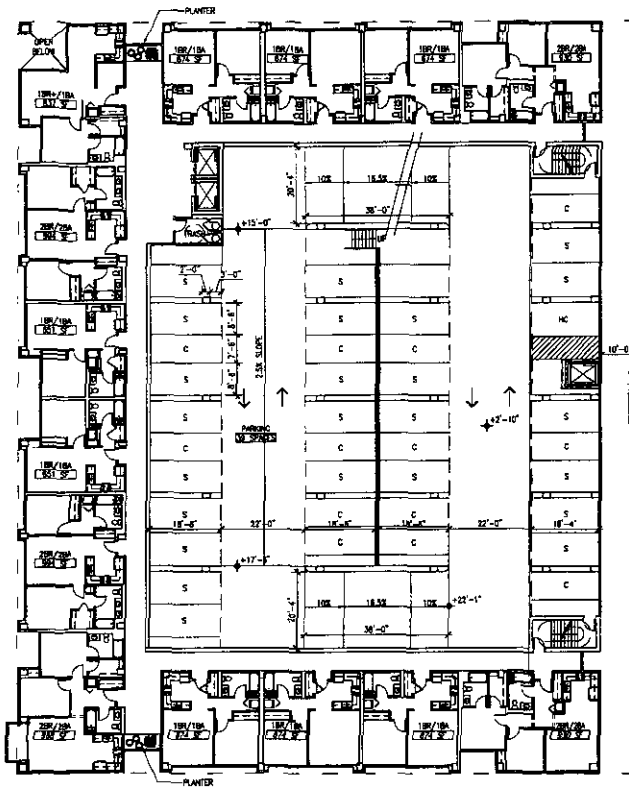
SITE PLAN

Sheet No.
A1.00

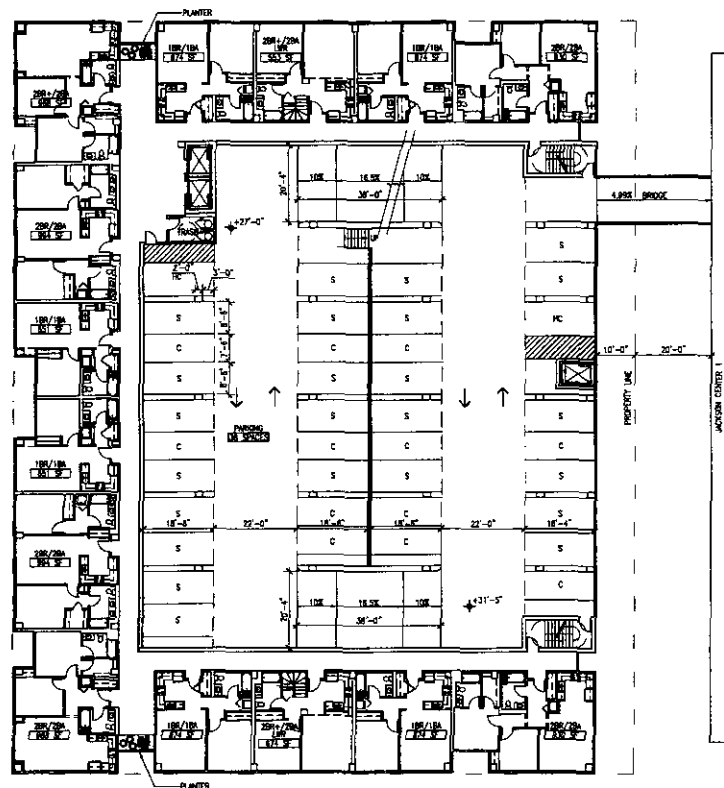


Architect: Kwan Heung
 7 Beach Street
 Suite 103
 San Francisco, CA 94133
 Tel: (415) 777-4770
 Fax: (415) 777-5102
 Contact: Ned Phillips

Engineer: Swinell Architects, LLC
 P.O. Box 2463
 Alameda, CA 94601
 Tel: (916) 826-0102
 Tel: (916) 826-9124
 Contact: Chengbin Wang



1 SECOND FLOOR PLAN
 SCALE: 1/16" = 1'-0"



2 THIRD FLOOR PLAN
 SCALE: 1/16" = 1'-0"

Jackson Center 2

Oakland, California

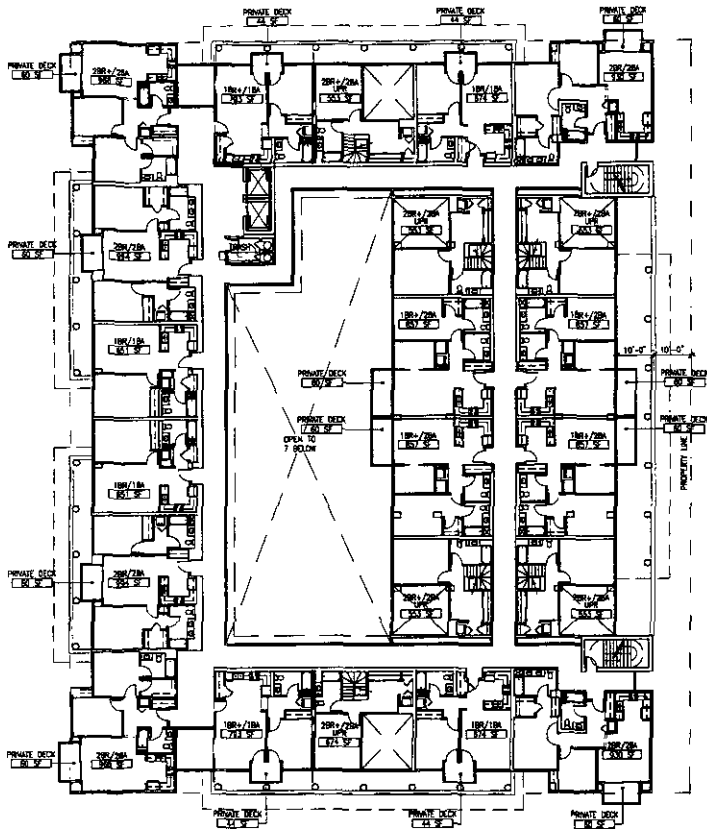
NOTE: If this drawing is not 30"x42" it has been revised from its original size. Scale noted on drawings/details are to larger application.
 © 2002 SwinellArchitects/Planning, Inc.
 Rev. Date Remarks

DESIGN REVIEW SUBMITTAL

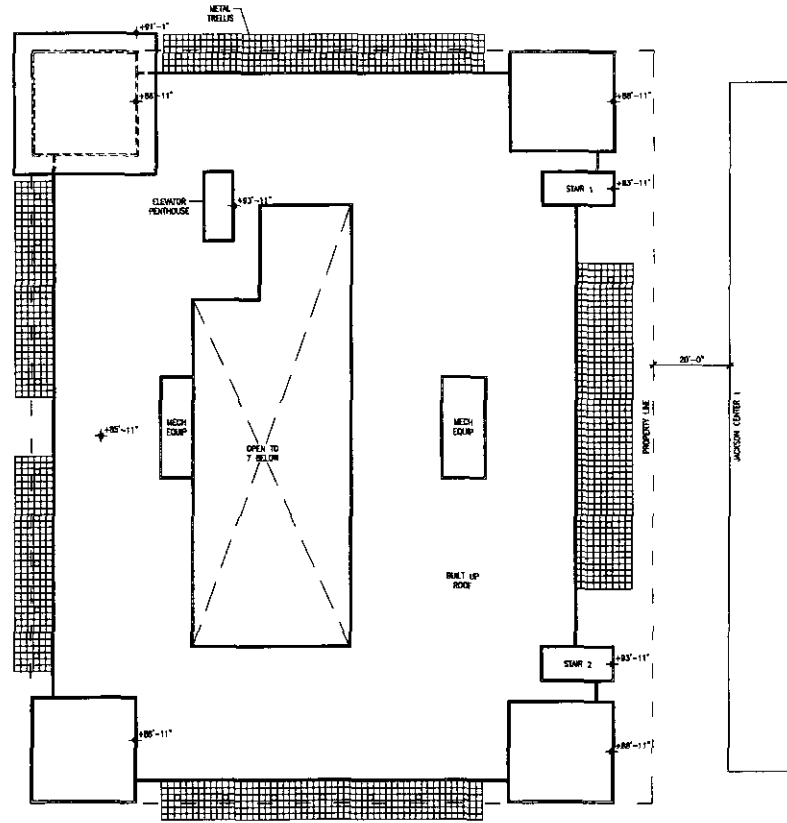
Date: 04.18.02
 Scale: 1/8" = 1'-0"
 Project Name: Jackson Center 2
 Oakland, CA
 Project No.: 0002.00

Drawing Title:
**SECOND/
 THIRD FLOOR PLANS**

Sheet No.
A2.02



1 EIGHTH FLOOR PLAN
 SCALE: 1/16" = 1'-0"



2 ROOF PLAN
 SCALE: 1/16" = 1'-0"



Owner: **Stanford Jackson, LLC**
 710 Bay Street
 Alameda, CA 94601
 T: 510.828-6000
 F: 510.828-8124
 Contact: Charlotte Wang

Architect: **KwanMeami**
 1 Beach Street
 Suite 103
 San Francisco, CA 94133
 T: 415.777-0200
 F: 415.777-0100
 Contact: Ned Phillips

Jackson Center 2
 Oakland, California

NOTE: If this drawing is not to be used, it has been printed from its original source. Scale noted on drawing panels are to be used as appropriate.
 © 2002 KwanMeami Architects/Planning, Inc.

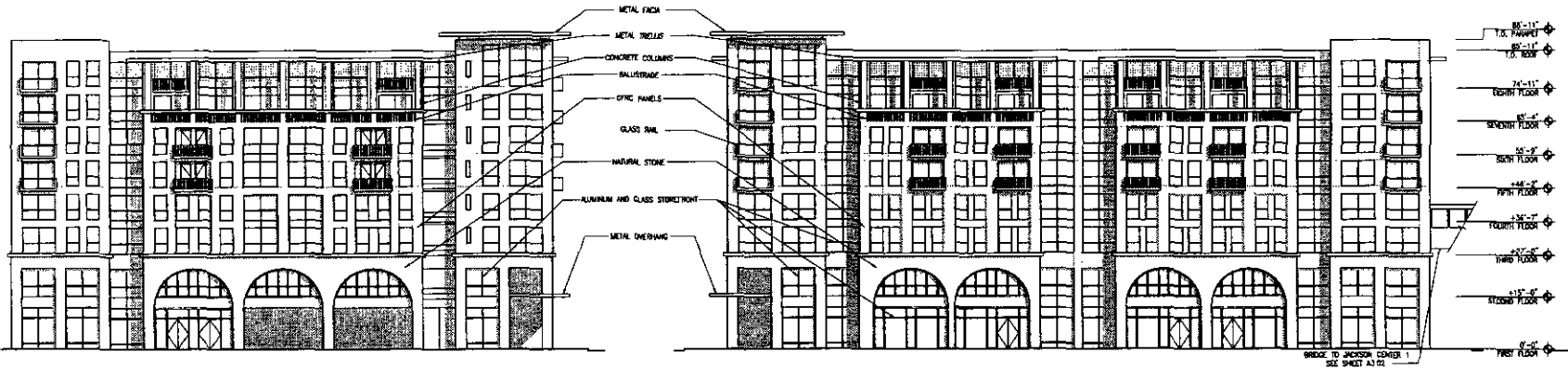
Rev. Date: Partner:

DESIGN REVIEW SUBMITTAL

Date: **04.02.04**
 Scale: **1/16" = 1'-0"**
 Project Name: **Jackson Center 2**
 Project No.: **0204.04**
 Drawing Title: **MECH. PLAN**

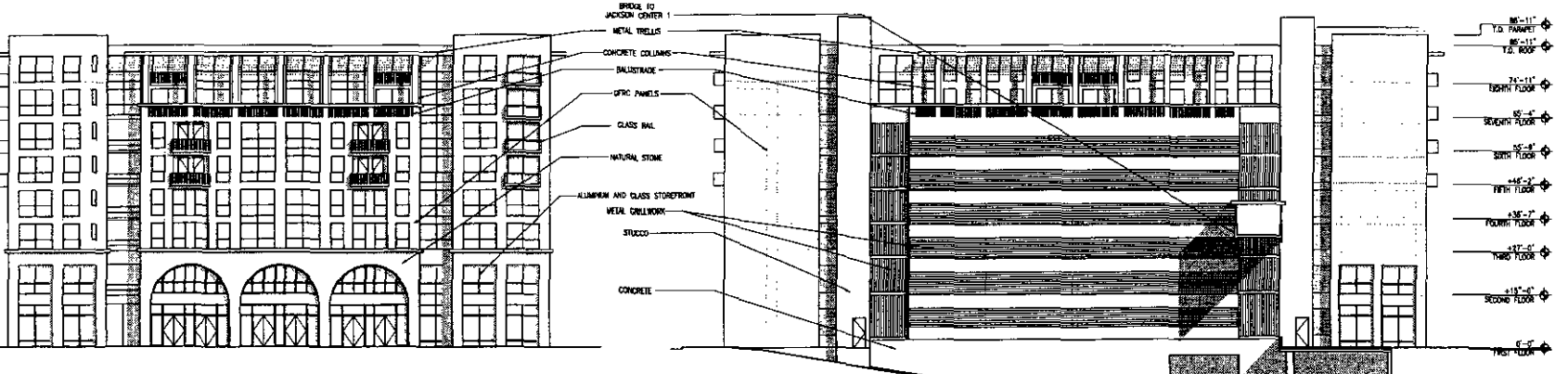
Drawing Title:
EIGHTH FLOOR/ROOF PLAN

Sheet No:
A2.05



1 NORTH ELEVATION (12TH STREET)
SCALE: 1/16" = 1'-0"

2 WEST ELEVATION (ALICE STREET)
SCALE: 1/16" = 1'-0"



3 SOUTH ELEVATION (11TH STREET)
SCALE: 1/16" = 1'-0"

4 EAST ELEVATION
SCALE: 1/16" = 1'-0"



Owner: Eastland Jackson, LLC
P.O. Box 2462
Oakland, CA 94617
T: (415) 828-8550
F: (415) 828-8124
Contact: Changshu Wang

Architect: Kwan Hee Mi
1 Beach Street
Suite 103
San Francisco, CA 94133
T: (415) 777-4720
F: (415) 777-5422
Contact: Neil Phillips

Jackson Center 2

Oakland, California

NOTE: If this drawing is not 30% complete it has been received from its original AIA. Scale noted on drawing/inserts are the larger applicable.

© 2012 KwanHeeMi Architecture/Planning, Inc.
Rev: Date Remarks

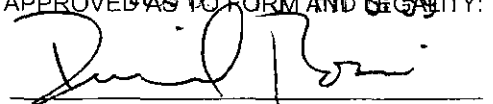
DESIGN REVIEW SUBMITTAL

Date: 04.08.12
Scale: 1/16" = 1'-0"
Project Name: Jackson Center 2
Oakland, CA
Project No.: 0812.01

EXTERIOR ELEVATIONS

Sheet No.
A3.01

2005 OCT 12 AM 10:59
APPROVED AS TO FORM AND LEGALITY:


Agency Counsel

REDEVELOPMENT AGENCY OF THE CITY OF OAKLAND

RESOLUTION No. _____ C.M.S.

A RESOLUTION AUTHORIZING AN OWNER PARTICIPATION AGREEMENT WITH JACKSON CENTER TWO, LLC, FOR THE DEVELOPMENT OF A MIXED-USE PROJECT WITH A PUBLIC PARKING GARAGE AT 235 12TH STREET IN THE CENTRAL DISTRICT THAT INCLUDES AN AGENCY REBATE OF THE NET PROPERTY TAX INCREMENT GENERATED BY THE PROJECT

WHEREAS, the Agency and the City have initiated the "10K Downtown Housing Program" to attract ten thousand new residents into the Central District Redevelopment Project Area, and the Agency has determined that it desires to encourage new housing; and

WHEREAS, the Agency has targeted development on underdeveloped sites, primarily surface parking lots, which has resulted in the loss of public parking; and

WHEREAS, the Agency is now focusing on public parking development, including the 17th Street Garage and Central District Parking Garage Development; and

WHEREAS, additional parking will be needed to offset the loss of over 2,000 spaces from 10K development activity; and

WHEREAS, Jackson Center Two, LLC, is now proposing to develop a mixed-use, primarily residential, project (the "Project") with 104 units, 5,000 square feet of retail and 281 parking spaces at 235 12th Street, on a site currently occupied by a one-story building that has been vacant since it was damaged in the Loma Prieta earthquake, located in the Central District Redevelopment Project Area; and

WHEREAS, the 163 public parking spaces are not financially feasible without approximately \$3.2 million (\$2.0 million net present value when discounted at 8.5%) in Redevelopment Agency assistance in the form of tax increment rebates; and

WHEREAS, the California Community Redevelopment Law (Health and Safety Code Sections 33339 and 33345) requires that redevelopment plans provide for participation by property owners in the redevelopment of project areas through owner participation agreements, and the Central District Urban Renewal Plan provides for participation by property owners in redevelopment of the Central District; and

WHEREAS, the Agency and Jackson Center Two, LLC, desire to enter into an Owner Participation Agreement ("OPA") to provide for the redevelopment of the Project site and to provide for financial assistance from the Agency for the redevelopment; and

WHEREAS, the OPA will require that the public parking will be made available on a first-come first-served basis, with at least half of the spaces reserved for daily and hourly parkers; and

WHEREAS, the OPA will require that Jackson Center Two, LLC, construct and operate the Project consistent with the Central District Urban Renewal Plan and will restrict the use of the Property to housing, parking and commercial uses; and

WHEREAS, the OPA will require conformity with the Central District Urban Renewal Plan, and will prohibit discrimination in any aspect of the Project as required under the Central District Urban Renewal Plan and the California Community Redevelopment Law; and

WHEREAS, the Project uses are in conformity with the Central District Urban Renewal Plan and its implementation plan, the Project will assist in the elimination of blight in the Central District Redevelopment Project Area, and the Project will help meet the objectives of the Central District Urban Renewal Plan; and

WHEREAS, the Redevelopment Agency is a Responsible Agency for this Project for purposes of environmental review under the California Environmental Quality Act of 1970 ("CEQA"); and

WHEREAS, the Oakland Planning Commission on September 3, 2003, determined that the Project met the definition of "infill development," and was therefore categorically exempt from CEQA, per Section 15332 of the CEQA guidelines; now, therefore, be it

RESOLVED: That the Agency Administrator or his or her designee is hereby authorized to negotiate and execute an OPA with Jackson Center Two, LLC, or an affiliated entity or entities approved by the Agency Administrator, for the Project, as well as negotiate and execute other documents necessary to facilitate the redevelopment of the Project site; and be it further

RESOLVED: That the Agency hereby finds and determines that the Project will further the purposes of the California Community Redevelopment Law, will contribute to the elimination of blight in the Central District Redevelopment Project Area, conforms to the Central District Urban Renewal Plan, including its implementation plan, and will further the goals and objectives of said Plan in that: (1) the Project will increase the stock of housing in the Central District, and reestablish residential areas for all economic levels within the Central District; (2) the Project will provide necessary neighborhood-serving commercial facilities lacking in the Central District; (3) the Project, once developed, will create permanent jobs for low and moderate income people, including jobs for area residents; (4) the Project will create a stable 24-hour residential community which will enhance the viability of retail businesses in the area; (5) the Project will redevelop a key underutilized site in the Central District; (6) the Project will provided needed public parking; (7) the Project will improve environmental design within the Central District; and (8) the Project, once developed, will enhance depreciated and stagnant residential and commercial property values in the surrounding areas, and will encourage efforts to alleviate economic and physical blight conditions in the area, including high business vacancy rates, excessive vacant lots, and abandoned buildings, by enhancing the development potential and overall economic viability of neighboring properties; and be it further

RESOLVED: That the OPA shall include the following terms and conditions:

- Construction of at least 163 public parking spaces, with at least half of the spaces reserved for daily and hourly parkers;
- An Agency rebate of tax increment revenues generated by the Project, net of tax increment revenues currently generated by the Project site, all pass-throughs to the County, ERAF, or other taxing entities, any *setasides* to the Low and Moderate Income Housing Fund, etc., annually through FY 2021-22 or until the cumulative stream of rebates equals \$2,006,626 when discounted at 8.5%, whichever is reached first;
- The rebate to take effect only after the Project receives its certificate of occupancy and all land use entitlements required for the public parking, and begins operation of the public parking garage;
- Jackson Center Two, LLC, to comply with provisions of the Central District Urban Renewal Plan and nondiscrimination provisions of redevelopment law;
- Project commencement and completion dates to be set in the OPA as negotiated by the Agency Administrator;
- Required application of the Agency's employment and contracting programs (prevailing wage, local employment, local/small local business enterprise contracting, apprenticeship, living wage, and first-source hiring) to the Project;
- Project uses restricted to residential, parking, and retail/commercial uses;
- Any other appropriate terms and conditions as the Agency Administrator or his or her designee may establish in his or her discretion or as the

California Community Redevelopment Law or the Central District Urban
Renewal Plan may require;

and be it further

RESOLVED: That all documents related to this transaction shall be reviewed and approved by Agency Counsel prior to execution, and copies will be placed on file with the Agency Secretary; and be it further

RESOLVED: That the Agency hereby appoints the Agency Administrator or his or her designee as agent of the Redevelopment Agency to conduct negotiations and execute documents with respect to the Project and the OPA as necessary to effectuate this transaction, and to take any other action with respect to the Project consistent with this Resolution and its basic purpose.

IN AGENCY, OAKLAND, CALIFORNIA, _____, 2005

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