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OFFICE OF THE CITY CLERK
OAKLAND

2009 APR 16 AM 11:03

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

TO: Office of the Agency Administrator
ATTN: Dan Lindheim
FROM: Community and Economic Development Agency
DATE: April 28, 2009

RE: An Agency Resolution Authorizing The Purchase Of The Following Tax Defaulted Properties In The Central City East And Coliseum Redevelopment Project Areas From The County Of Alameda: (1) 7525 MacArthur Boulevard Purchase Price \$214,828 Plus Interest of Approximately \$35,000; (2) 7533 MacArthur Boulevard Purchase Price \$122,720 Plus Interest of Approximately \$35,000, And (3) 9959 International Boulevard , Purchase Price \$46,263 Plus Interest of Approximately \$10,000 And Allocating \$25,000 From Central City East and Coliseum Redevelopment Project Area Funds For Related Real Estate Costs

SUMMARY

Community and Economic Development Agency (CEDA) staff is requesting the City of Oakland Redevelopment Agency (Agency) authorize a Purchase and Sales Agreement between the Agency and the County of Alameda's Tax Collector's Office to purchase up to three properties from the County through a Chapter Eight (8) Sale. The three properties include 7525 MacArthur Boulevard (APN #40-3396-5) and 7533 MacArthur Boulevard (APN # 40-3396-6) in the Central City East Project Area; and one property, 9959 International Boulevard (APN # 44-4972-6-5) in the Coliseum Project Area.

The Agency issued and received Series 2006 bonds for the Central City East (CCE) and the Coliseum Redevelopment Areas to be used for the acquisition of vacant blighted, obsolete, and underutilized properties in each prospective area. The goal is to facilitate residential and commercial development on the sites to be purchased from the Alameda County Tax Collector's Office.

The three parcels contribute to blight within their respective neighborhoods and acquisition by the Agency will result in elimination of the blighting conditions. There will be minor costs for clean up of the lots but there is no demolition required on any of the parcels.

Once the sites are purchased, CEDA staff will develop a Request for Proposals (RFP) to solicit developers to undertake mixed-use residential and commercial development as well as public improvements of these sites.

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FISCAL IMPACT

The acquisition costs estimate of these properties, including closing costs, are as listed in the table below.

Property by Address & APN	Redevelopment Area	Minimum Bid	Approximate Interest Charges	Real Estate Cost
7525 MacArthur 40-3396-5	Central City East	\$214,828	\$35,000	\$9,000
7533 MacArthur 40-3396-5	Central City East	\$122,720	\$35,000	\$9,000
Subtotal		\$337,548	\$70,000	\$18,000
9959 International 44-4972-6-5	Coliseum	\$46,263	\$10,000	\$7,000
Subtotal		\$46,263	\$10,000	\$7,000

Staff is proposing two Agency funding sources for these acquisitions: \$425,548 will be allocated from Central City East Tax Allocation Bond Series 2006A-T (Taxable) Bond Fund (9543), Central City East (88699), Central City East Land Acquisition (S233351) Undetermined Program (0000) for the acquisition of 7525 and 7533 MacArthur Boulevard. An additional \$63,263 will be allocated from the Coliseum Tax Allocation Bond Series 2006B-T (Taxable) Bond Fund (9456), Capital Improvement Project (94800), Coliseum Land Acquisition Project (T315820) for the acquisition of 9959 International Boulevard.

BACKGROUND

The three parcels which the Agency and the City have submitted objection under Chapter 8 process to Alameda County Tax Collector are located within the Coliseum and the Central City East Redevelopment Areas. The owners of the subject properties have not paid the parcel property taxes on these properties for several years and County of Alameda has proceeded to dispose of the parcels by a tax sale in order to recover the due taxes and unpaid assessments. The general objective for the acquisitions is to gain control of the sites in order to eliminate blight in the area and to reuse the subject parcels to create positive economic stimulation, public improvement and development in the designated redevelopment areas. The parcels are described as follows:

Project Area 1: 7525 MacArthur Boulevard and 7533 MacArthur Boulevard – located within the Central City East Redevelopment Area.

This is a two parcel site comprised of 6,601 total square feet. These two parcels are located on the northwest corner of the MacArthur Boulevard and the 76th Avenue intersection. These are two vacant lots located within the borders of a major undergrounding and streetscaping project along MacArthur Boulevard from 73rd Ave. to the border of the City of San Leandro, and will assist the Redevelopment Agency in its goal of focusing improvements along that section of the MacArthur Corridor.

These two parcels are currently tax defaulted to the County, due to tax delinquency by the property owner(s) and were listed for auction in the Alameda County Tax Assessor's 2009 Sale. The properties each have a number of fees and liens attached to the title that affected the sale amount set by the County. The total amount as listed from the County does not include separate costs incurred by the Redevelopment Agency due to environmental reviews. A Phase I environmental review has been conducted of the property. Based upon the results, a Phase II was not determined to be necessary at this time.

There is no set plan at this time for this site, other than to land bank for the future. Possible options include issuing a Request for Proposals for the development of the two parcel site sometime in the future. The funding of \$337,548 plus interest of approximately \$35,000 per parcel, and related costs for the purchase of these two parcels, will come from the Central City East Redevelopment Area.

Project Area 2: 9959 International Boulevard – located within Coliseum Redevelopment Area.

The property at 9959 International Boulevard is a tax delinquent property totaling 10,500 square feet and was also listed for sale as part of the Alameda County Tax Assessors 2009 Sale. This property is located at the corner of International Boulevard and 100th Avenue and its development represents an opportunity to stimulate the neighborhood.

This property also had a number of fees and liens attached to the title that affected the price set by the County. The total amount as listed from the County does not include separate costs incurred by the Redevelopment Agency due to environmental reviews. A Phase I environmental review has been conducted of the property. Based upon the results, staff has determined that a Phase II is not necessary at this time.

There are no set plans for this site at this time other than to land bank for future projects. The funding of \$46,263 plus interest of approximately \$10,000 and related costs for the purchase of this parcel will come from the Coliseum Redevelopment Area.

KEY ISSUES AND IMPACTS

The acquisition is expected to occur by fall of this year and should be completed by December, 2009. The subject parcels present unique opportunities to gain site control for future projects in critical areas of the City that need attention. After completion of all transactions, parcels can be sold by the Community and Economic Agency as part of Redevelopment Agency efforts to redevelop these parts of the City.

SUSTAINABLE OPPORTUNITIES

Economic: The Agency plans to use these sites for future projects to stimulate growth in the areas. 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 future 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. Any project is typically subject to City program goals for Local and Small Local Business Enterprises and other standard programs.

Environmental: The acquisition of the project site area along MacArthur Boulevard and International Boulevard is expected to contribute to smart growth by 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.

Social Equity: These neighborhoods have suffered from illegal dumping at the site, blight and an absence of new construction for an extended period of time. The proposed acquisition provides a positive stimulus to neighborhoods which are improving and where new construction is both welcomed and important to continued neighborhood growth and stability.

DISABILITY AND SENIOR CITIZEN ACCESS

Seniors and people with disabilities will benefit from the improved design, access and potential housing that the future projects will provide.

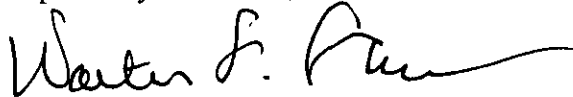
RECOMMENDATION AND RATIONALE

Staff recommends the adoption of the an Agency resolution authorizing the purchase of up to three parcels located at 7525 MacArthur Boulevard, 7533 MacArthur Boulevard and 9959 International Boulevard from the County of Alameda Tax Collector for a price not to exceed \$488,811 including interest and costs. Approving the Agency resolution will allow the agency to implement development of these blighted sites.

ACTION REQUESTED OF THE CITY COUNCIL/REDEVELOPMENT AGENCY

Council is requested to adopt the Agency resolution authorizing the purchase of up to three parcels from the County of Alameda for a price not to exceed \$488,811 including interest and related costs.

Respectfully submitted,



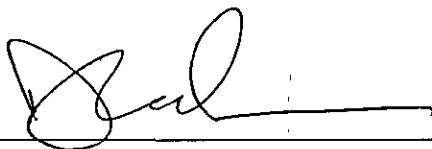
Walter S. Cohen, Director
Community and Economic Development Agency

Reviewed by: Gregory Hunter, Deputy Director
Economic Development and Redevelopment

Reviewed by: Frank Fanelli, Manager
Real Estate Division

Prepared by: William Wilkins, Supervising Real Estate Agent
Real Estate Division

APPROVED AND FORWARDED TO THE
COMMUNITY AND ECONOMIC DEVELOPMENT COMMITTEE:



Office of the Agency Administrator

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CED Committee
April 28, 2009

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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 PURCHASE OF THE FOLLOWING TAX DEFAULTED PROPERTIES IN THE CENTRAL CITY EAST AND COLISEUM REDEVELOPMENT PROJECT AREAS FROM THE COUNTY OF ALAMEDA: (1) 7525 MACARTHUR BOULEVARD, PURCHASE PRICE OF \$214,828 PLUS INTEREST OF APPROXIMATELY \$35,000; (2) 7533 MACARTHUR BOULEVARD, PURCHASE PRICE OF \$122,720 PLUS INTEREST OF APPROXIMATELY \$35,000, AND (3) 9959 INTERNATIONAL BOULEVARD, PURCHASE PRICE OF \$46,263 PLUS INTEREST OF APPROXIMATELY \$10,000, AND ALLOCATING \$25,000 FROM CENTRAL CITY EAST AND COLISEUM REDEVELOPMENT PROJECT AREA FUNDS FOR RELATED REAL ESTATE COSTS

WHEREAS, the Board of Supervisors of Alameda County by its Resolution No. 2008-423 has given its consent to the proposed sale at public auction of property tax delinquent parcels of real property within the Central City East Redevelopment Project Area at 7525 MacArthur Boulevard (APN 40-3396-5), and 7533 MacArthur Boulevard (APN 40-3396-6), and within the Coliseum Redevelopment Project Area at 9959 International Boulevard (APN 44-4972-6-5), as such properties are further depicted herein as Exhibits "A", "B", "C", "D" and it is deemed to be in the public interest and necessity that the fee to said parcels be acquired by the Redevelopment Agency for redevelopment; and

WHEREAS, Chapter 8 of the California Revenue and Taxation Code authorizes and provides proceedings for the acquisition of said tax delinquent property by the Agency; and

WHEREAS, Agency staff have identified these three sites as vacant, blighted, obsolete, and/or underutilized properties; and

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

WHEREAS, Section 33391 of the California Community Redevelopment Law (Health & Safety Code Sections 33000, et seq.) authorizes a redevelopment agency to purchase real property in a project area or for purposes of redevelopment; and

WHEREAS, this action is exempt from the California Environmental Quality Act (CEQA) under Sections 15061(b)(3) (no possibility of significant environmental impact) and Section 15183, (projects consistent with the General Plan and zoning) of the CEQA Guidelines; and

WHEREAS, the funding for the acquisition of the properties is available from Central City East Tax Allocation Bond Series 2006A-T (Taxable) Bond Fund (9543) and Coliseum Tax Allocation Bond Series 2006B-T (Taxable) Bond Fund (9456), Capital Improvement Program Organization (94800), Coliseum Land Acquisition Project (T315820); and

WHEREAS, the Agency issued and received Series 2006 bonds for the Central City East and Coliseum Redevelopment Project Areas to be used, among other things, for the acquisition of vacant, blighted, obsolete and/or underutilized properties; now, therefore be it

RESOLVED: That the Agency, acting by and through its governing body, hereby requests that the referenced parcels be withdrawn from public auction; and be it further

RESOLVED: That the Agency hereby authorizes the purchase of the following parcels for no more than the indicated purchase price, plus accrued interest for: (1) 7525 MacArthur Boulevard (APN 40-3396-5), purchase price \$214,828 plus interest of \$35,000; (2) 7533 MacArthur Boulevard (APN 40-3396-6), purchase price \$122,720 plus interest of \$35,000, and (3) 9959 International Boulevard (APN 44-4972-6-5), purchase price \$46,263 plus interest of \$10,000; and be it further

RESOLVED: That the Agency hereby authorizes the payment for related real estate costs not to exceed \$18,000 from the Central City East Project Area and \$7,000 from the Coliseum Redevelopment District; and be it further

RESOLVED: That \$425,548 is hereby allocated from Central City East Tax Allocation Bond Series 2006A-T (Taxable) Bond Fund (9543), Central City East (88699) Central City East Land Acquisition (S233351) and \$63,263 will be allocated from the Coliseum Tax Allocation Bond Series 2006B-T (Taxable) Bond Fund (9456), Capital Improvement Program Organization (94800), Coliseum Land Acquisition Project (T315820) for this purpose; and be it further

RESOLVED: That the Agency Administrator or his or her designee is authorized to negotiate and execute purchase and sale contracts for any or all of the three parcels; and be it further

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

IN AGENCY, OAKLAND, CALIFORNIA, _____, 2009

PASSED BY THE FOLLOWING VOTE:

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

NOES-

ABSENT-

ABSTENTION-

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

