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CITY ATTORNEY'S OFFICE

As Amended by City Council on Nov. 16, 2021

OAKLAND CITY COUNCIL

RESOLUTION NO. 88922 C.M.S.

INTRODUCED BY VICE MAYOR REBECCA KAPLAN
AND COUNCILMEMBER NOEL GALLO

RESOLUTION AUTHORIZING THE CITY ADMINISTRATOR, OR DESIGNEE, TO ENTER INTO AN EXCLUSIVE NEGOTIATING AGREEMENT (ENA) WITH THE AFRICAN AMERICAN SPORTS AND ENTERTAINMENT GROUP (AASEG), OR AN AFFILIATE ENTITY, FOR A PERIOD OF EIGHTEEN (18) MONTHS, WITH ONE ADMINISTRATIVE OPTION TO EXTEND FOR - (6) MONTHS, SUBJECT TO PAYMENT OF A NON-REFUNDABLE ENA FEE OF \$200,000 PER YEAR AND PROJECT EXPENSE PAYMENTS FOR ACTUAL CITY COSTS INCURRED, TO NEGOTIATE POTENTIAL TERMS FOR THE ACQUISITION AND DEVELOPMENT OF THE CITY'S SHARE OF THE OAKLAND COLISEUM COMPLEX, CONSISTING OF VARIOUS PARCELS BOUNDED BY SAN LEANDRO STREET, 66TH AVENUE, HEGENBERGER ROAD AND INTERSTATE 880, INCLUDING, POTENTIAL TERMS FOR PURCHASE, LEASE, AND/OR PARTNERSHIP; A FINANCIAL PLAN; AND COMMUNITY BENEFITS.

WHEREAS, the City of Oakland owns a 50% share of the large, easily accessible property known as the Oakland-Alameda Coliseum Complex Site ("Coliseum Site"), with many acres that can be used to provide housing for all income levels, jobs, business, sports, entertainment and more, and which has completed both environmental review and the surplus lands act notification process, to allow for proceeding with revitalizing it; and

WHEREAS, East Oakland faces disproportionate unemployment, and community has sought and deserves increased economic opportunity, including with local jobs, and local business opportunity; and

WHEREAS, the City of Oakland, in 2019, declared the Coliseum Site to be "surplus" land and provided notice of this in compliance with the California Surplus Land Act; and

WHEREAS, the Oakland City Council has previously authorized staff to pursue the potential for the future of the Coliseum Site with multiple developers, which after further meetings and evaluation, was then narrowed down to two; and

WHEREAS, one of the two authorized bidders is the African American Sports and Entertainment Group (AASEG); and

WHEREAS, on July 20, 2021, the Oakland City Council adopted Resolution 88764 C.M.S, which directed the City Administrator to negotiate with the African American Sports and Entertainment Group (AASEG) the potential terms of purchase and sale agreement to sell the City's undivided 50% fee interest in the Coliseum Complex; and

WHEREAS, AASEG is an Oakland-based developer focused on creating economic opportunities for East Oakland, the Black community, all Oakland residents at-large, and using the Coliseum site as a venue for economic equity and social justice; and

WHEREAS, AASEG has met with over 40 community groups including faith-based institutions, labor organizations, civic leaders, and job development organizations, and have received extensive support for the mission of AASEG's plan; and

WHEREAS, AASEG has already submitted a proposal to the Oakland-Alameda Coliseum Joint Powers Authority to lease the arena in the Coliseum site for WNBA games, the terms of which has been approved by the Oakland City Council and by the full JPA Board; and

WHEREAS, awarding a significant development opportunity to an Oakland-based African American development group would be an important step in the City's 169-year history, and help remedy extensive racial disparities in Oakland contracts and economic opportunity; and

WHEREAS, the Coliseum Site is important as a major regional hub, served by BART, Amtrak, airport connector and freeway, and in providing thousands of jobs to Oakland residents. It is important to preserve and enhance jobs and business for local residents; and

WHEREAS, the City of Oakland wishes to effectively pursue economic opportunities in ways that benefit our community; and

WHEREAS, much of Oakland's community, including parts of East Oakland, have been harmed by past decisions that undermined opportunity and increased inequality, and therefore any new project must improve, and not harm, conditions for long-time disparately-impacted communities; and

WHEREAS, the City believes it is important that projects on public lands include plans and strategies to benefit the local community including local hire, jobs standards, affordable housing, anti-displacement support and pedestrian safety, among others; and

WHEREAS, the City of Oakland seeks to be a valued partner throughout the development process of this project and should have the option to partner with AASEG on aspects of the development project, when appropriate; and

WHEREAS, to enable AASEG to further advance the potential development of the Coliseum Site, the City seeks to enter into an exclusive negotiation agreement ("ENA") with AASEG, or an affiliated entity; and

WHEREAS, the City will require AASEG to pay an annual ENA fee of \$200,000 to the City within 5 days of execution, as well as ongoing reimbursements for all costs incurred by the City, including, without limitation, costs for planning, entitlement, development, and legal costs during the negotiating period (collectively, "Project Expense Payments"); and now therefore be it

RESOLVED: That the City Council hereby authorizes the City Administrator, or designee, to enter into an Exclusive Negotiation Agreement (ENA) with the African American Sports and Entertainment Group (AASEG), for a period of eighteen (18) months, with one administrative option to extend for six (6) months, to negotiate potential terms for the acquisition and development of the City's share of the Oakland-Alameda County Coliseum Complex Site, consisting of various parcels bounded by San Leandro Street, 66th Avenue, Hegenberger Road and Interstate 880, including potential terms for purchase, lease, and/or partnership; a financial plan; and community benefits; and be it

FURTHER RESOLVED: That the ENA shall require AASEG to pay to the City of Oakland a non-refundable annual ENA fee of \$200,000 and Project Expense Payments for all costs incurred by the City of Oakland during the ENA negotiations; and be it

FURTHER RESOLVED: That the City Council authorizes the City Administrator to accept, deposit and appropriate the ENA Fee of \$200,000 per year into Entity (1), Miscellaneous Capital Projects Fund (5999), in a Project to be determined later, for the fee to negotiate exclusively with the City; and be it

FURTHER RESOLVED: That the City Council authorizes the City Administrator to accept, deposit and appropriate an initial Project Expense Payment (PEP) of no less than \$2.5M to cover actual staff costs and third party expenses into Entity (1), Miscellaneous Capital Projects Fund (5999), in a Project to be determined later, for the administration and management of the ENA and related project; and be it

FURTHER RESOLVED: That any proposed terms negotiated by the City Administrator shall require approval of the City Council; and be it

FURTHER RESOLVED: That during the ENA period, the developer shall undertake negotiations with the owner of the other 50% interest in the Coliseum Site regarding the parties' respective plans for development, and City staff will cooperate in such efforts, as feasible.

IN COUNCIL, OAKLAND, CALIFORNIA,

NOV 16 2021

PASSED BY THE FOLLOWING VOTE:

AYES – FIFE, GALLO, KALB, KAPLAN, REID, TAYLOR, THAO AND
PRESIDENT FORTUNATO BAS 

NOES – 

ABSENT – 

ABSTENTION – 

ATTEST: 

ASHA REED

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