



# AGENDA REPORT



**TO:** Honorable Mayor and members of the City Council

**FROM:** Councilmember  
Rebecca Kaplan  
At-Large District

**SUBJECT:** Ordinances regarding Harbor Bay property and Malibu Property

**DATE:** 4/25/24

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## RECOMMENDATION

Councilmember Kaplan recommends that the City Council adopt an

**AN ORDINANCE AUTHORIZING THE CITY ADMINISTRATOR TO NEGOTIATE AND EXECUTE A PURCHASE AND SALE AGREEMENT WITH THE COUNTY OF ALAMEDA TO ACQUIRE THE COUNTY'S UNDIVIDED 50 PERCENT INTEREST IN THE MALIBU PROPERTY, LOCATED AT 8000 SOUTH COLISEUM WAY, OAKLAND, CALIFORNIA, FOR EIGHT MILLION SEVEN HUNDRED THOUSAND DOLLARS (\$8,700,000) BASED ON THE COUNTY'S APPRAISED FAIR MARKET VALUE, WITH INTEREST FREE, SELLER-FINANCING TO BE PAID WITH 50 PERCENT OF PROPERTY REVENUES; AND ADOPTING CALIFORNIA ENVIRONMENTAL QUALITY ACT FINDINGS**

**AND**

**AN ORDINANCE AUTHORIZING THE CITY ADMINISTRATOR TO EXECUTE A PURCHASE AND SALE AGREEMENT WITH THE COUNTY OF ALAMEDA TO ACQUIRE THE COUNTY'S UNDIVIDED 50 PERCENT INTEREST FOR ELEVEN MILLION EIGHT HUNDRED FIFTY THOUSAND DOLLARS (\$11,850,000), TO SELL IT, TOGETHER WITH THE CITY'S UNDIVIDED 50 PERCENT INTEREST IN PROPERTY, FORMERLY KNOWN AS THE RAIDERS TRAINING FACILITY, LOCATED AT 1150 AND 1220 HARBOR BAY PARKWAY, ALAMEDA, CALIFORNIA, TO PROLOGIS, L.P. OR ITS AFFILIATE, FOR TWENTY-FOUR MILLION DOLLARS (\$24,000,000), CONDITIONED ON A LEASE TO OAKLAND PRO SOCCER LLC OR ITS AFFILIATE, OWNER OF THE OAKLAND ROOTS AND SOUL SOCCER**

City Council  
April 25, 2024  
File #24-0314 & File #24-0319

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## **TEAMS; AND ADOPTING CALIFORNIA ENVIRONMENTAL QUALITY ACT FINDINGS**

### **EXECUTIVE SUMMARY**

This report describes two separate ordinances proposed to resolve complex property ownership regarding two properties co-owned by the City of Oakland and the County of Alameda to enable more effective and harmonious resolution and to enable their revitalization, use, and fiscal responsibility. The recommended actions would provide means to resolve complicated property ownership issues with Alameda County, secure the future of the Oakland Roots and Soul soccer teams, and provide essential financial support to the City of Oakland's General Fund by ensuring the ability of the properties to generate revenue and provide activation to serve jobs, community needs, and foster community spirit.

Through a set of actions, Oakland (the "City") and Alameda County (the "County") are in a position to sell the Harbor Bay Property( the "Harbor Bay Property") for a competitive price and secure the future of the Roots and Soul soccer teams in Oakland by 1) enabling unitary control and coherent and coordinated decision-making for the use of the 8.8-acre parking lot at 8000 Coliseum Way (the "Malibu Property") and 2) selling the Harbor Bay Property to ProLogis subject to a lease with Oakland Pro Soccer LLC (OPS).

The recommended actions proposed herein would offer the County a way forward to attaining its stated goals. The County would sell its interests in both properties to the City at prices based on the County's fair market value appraisals.

The City would purchase the County's 50% interest in the Malibu Property for \$8.7 million with interest-free seller-financing to be paid down from 50 percent of revenues generated off the Malibu Property, whether by lease, licenses, or other means. If the City were to sell the Malibu Property, any remaining balance on the seller-financing would be paid off at that time.

The City would purchase the County's 50% interest in the Harbor Bay Property for \$11.85 million, using proceeds from the City's sale of the Harbor Bay Property to ProLogis. The City has already approved the sale of the City's 50% interest in the Harbor Bay Property in this manner.

This option would allow the City to enable securing the future of the Roots and Soul soccer in Oakland. It would immediately satisfy the County's stated desire to "get out of the sport business" and focus on "operating a social safety net." And it would generate critical support for the City's General Fund, primarily through selling the Harbor Bay Property to ProLogis, during extraordinary budget challenges.

### **BACKGROUND / LEGISLATIVE HISTORY**

### ***Malibu Property***

The City and County each own an undivided 50% interest in the Malibu Property. Because the shares are undivided, making sure to plan for effective use and future of the property requires that the ownership interests be coordinated together. Thus, putting both halves of the property ownership together under holistic ownership and control will ease the process of ensuring the property is effectively utilized.

OPS, owner of the Oakland Roots men's professional soccer team and the Oakland Soul women's pre-professional soccer team, has proposed leasing the Malibu Property from the City and County to build a facility to serve as the Roots and Soul's home game venue.

To that end, the County Board of Supervisors and Oakland City Council (pursuant to [Resolution 89898 C.M.S.](#)) each approved entering into an Exclusive Negotiation Agreement (ENA) with OPS to negotiate these lease terms. The parties entered the ENA on October 20, 2023, and amended it on April 20, 2024, to extend its term through October 20, 2024.

While these lease negotiations are ongoing, on April 16, 2024, the County Board of Supervisors approved selling the County's interest in the Malibu Property at a public Auction. If the county followed through, this would threaten the viability of the use of the property since a 50% undivided interest would be owned separately and would undermine the activation of the site and future of Roots and Soul soccer, as the buyer would be under no obligation to continue negotiations for a lease with OPS, nor would we be assured that any owner would work cooperatively with the City as co-owner.

### ***Harbor Bay Property***

The City and County also each own an undivided 50% interest in a 16.84-acre improved property located at 1150 and 1220 Harbor Bay Parkway in Alameda, formerly used by the Oakland Raiders NFL team as a training facility, known as the Harbor Bay Property.

The City and County entered into a Tenancy In Common (TIC) agreement in December 2020 (pursuant to [Ordinance No. 13631 C.M.S.](#)), whereby the parties committed to selling the Harbor Bay Property, with the County coordinating the sale. To that end, the County scheduled a public auction for July 2023, which was canceled because no bids were received by the posted deadline.

The City and County subsequently received purchase offers from three parties, including ProLogis, L.P., which proposed to pay a competitive price of \$24 million and lease the property to OPS for ten years. This would allow Roots and Soul to continue using the Harbor Bay Property as a practice facility, as they have since December 2021, while positioning the property as a 2026 World Cup training venue. The City Council approved this sale on February 20, 2024, pursuant to [Ordinance 13782 C.M.S.](#). The County Board of Supervisors has yet to take any action on this sale.

## **ANALYSIS AND POLICY ALTERNATIVES**

Failure to pursue these options would render any activation, use, or financial opportunity from the sites more complex due to split ownership with differing directives and policies. In addition, it would threaten to undermine what is currently a positive outlook for growth and opportunity in Oakland with the world's largest and fastest-growing sport – soccer – to harness the opportunity provided by two teams, who are, working hard to be rooted in Oakland. Furthermore, failure to pursue these options could cause us to miss opportunities with the coming 2026 World Cup.

Furthermore, leaving the properties in mixed ownership or conducting a swap would fail to meet the fiscal needs.

## **FISCAL IMPACT**

The two proposed ordinances illustrate a fiscally responsible and reasonable procedure to complete the acquisition of the properties to enable putting them into effective use and generate revenue and other positive opportunities. Moving forward with these proposed ordinances, the city will ensure continued prosperity and investment in two revenue-generating properties.

Additionally, purchasing the Malibu Property, which abuts the Coliseum property, will allow the City to continue developing plans for the redevelopment of the areas in and around the Coliseum site, such as described in the adopted Coliseum Area Specific Plan.

## **PUBLIC OUTREACH/INTEREST**

The proposed actions have been developed after extensive negotiations with the County and stakeholders, including potential buyers and leasers, as well as public actions and noticed meetings to pursue uses for the properties. The proposed actions are based on the feedback received from the public, which has called for the City to maintain and develop revenue-generating entities and properties responsibly.

## **COORDINATION**

Councilmember Rebecca Kaplan, in partnership with the Oakland City Attorney's Office, the Oakland Department of Real Estate, the Mayor's Office, and the City Administrator's Office, has brought forth this proposal.

## **SUSTAINABLE OPPORTUNITIES**

### ***Economic:***

The two properties represent economic vitality. The City will benefit from both properties' tax-revenue-generating jobs, businesses, events, and economic activity. The residents of Oakland will benefit from increased economic development and an increase in activity and coordination at the Malibu Property. These actions will have a positive fiscal impact on the City. For example, City staff was recently informed that Fédération Internationale de Football Association (“FIFA”), the international governing body for soccer, recently evaluated the Harbor Bay Property and concluded that it is a strong candidate to host a participating national team during the 2026 World Cup.

***Environmental:***

The City Council determined, on a separate and independent basis, that this action, expressly but not limited to the Malibu property, will not result in a direct or indirect physical change in the environment and does not in and of itself constitute a “project” pursuant to California Environmental Quality Act (CEQA) Guidelines Section 15378. In the alternative, if it is deemed to be a project under CEQA, the commonsense exemption (CEQA Guidelines 15061(b)(3)) applies to the project since it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment.

***Social Equity***

The Malibu and Harbor Bay Properties are two revenue-generating properties. The City, as the potential owner of the Malibu Property and the buyer and then seller of the Harbor Bay Property, is actively engaging in the proposed actions, with the overall intent to better the area and the lives of residents. By purchasing the Malibu Property, the City is investing in ongoing jobs, future commercial activity, and an increase in community-oriented events. As a purchaser and the seller of the Harbor Bay Property, the City is finalizing the exit of a complex ownership agreement with the County and pivoting toward a profitable sale of real property that enshrines the continued lease and use of the property by community-based and oriented organization.

**ACTION REQUESTED OF THE CITY COUNCIL**

**Councilmember Kaplan recommends that the City Council adopt an**

**AN ORDINANCE AUTHORIZING THE CITY ADMINISTRATOR TO NEGOTIATE AND EXECUTE A PURCHASE AND SALE AGREEMENT WITH THE COUNTY OF ALAMEDA TO ACQUIRE THE COUNTY’S UNDIVIDED 50 PERCENT INTEREST IN THE MALIBU PROPERTY, LOCATED AT 8000 SOUTH COLISEUM WAY, OAKLAND, CALIFORNIA, FOR EIGHT MILLION SEVEN HUNDRED THOUSAND DOLLARS (\$8,700,000) BASED ON THE COUNTY’S APPRAISED FAIR MARKET VALUE, WITH INTEREST FREE, SELLER-FINANCING TO BE PAID WITH 50 PERCENT OF PROPERTY REVENUES; AND**

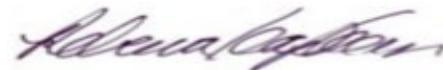
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For questions regarding this report, please contact Michael Alvarenga, Legislative Analyst, at [malvarenga@oaklandca.gov](mailto:malvarenga@oaklandca.gov)

Respectfully submitted,



Councilmember Rebecca Kaplan  
At-Large District

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