


CITY ATTORNEY'S OFFICE

INTRODUCED BY COUNCILMEMBER REBECCA KAPLAN & KEN HOUSTON

OAKLAND CITY COUNCIL

ORDINANCE NO. _____ C.M.S.

AN ORDINANCE:

(1) AMENDING ORDINANCE NO. 13801 C.M.S. AUTHORIZING THE SALE OF THE CITY OF OAKLAND'S UNDIVIDED 50 PERCENT INTEREST IN PROPERTY LOCATED AT 7000 COLISEUM WAY, OAKLAND, CALIFORNIA, TO REMOVE THE RESTRICTION REQUIRING PAYMENT OF A PORTION OF THE PURCHASE PRICE PRIOR TO JULY 1, 2025 TO FACILITATE SIMULTANEOUS CLOSING WITH THE COUNTY OF ALAMEDA'S SALE OF ITS UNDIVIDED 50 PERCENT INTEREST IN THE PROPERTY AFTER THE BOND DEBT RELATED TO THE PROPERTY IS PAID IN FULL;

(2) DECLARING REAL PROPERTY LOCATED AT 695 HEGENBERGER ROAD "SURPLUS PROPERTY" PURSUANT TO THE SURPLUS LAND ACT (GOVERNMENT CODE SECTION 54220-54233); AND

(3) ADOPTING CALIFORNIA ENVIRONMENTAL QUALITY ACT FINDINGS

WHEREAS, the City of Oakland ("City") owns a fifty percent (50%) undivided interest (the "City's Interest") in that certain real property located at 7000 Coliseum Way, located in the City of Oakland, California (the "Property"); and

WHEREAS, the Property is approximately 112-acres in size and abuts the Damon Slough Channel to the North and East, S. Elmhurst Creek Channel to the South and Coliseum Way and I-880 to the West, and consists of two parcels with improvements thereon including an arena (the "Arena"), a stadium (the "Coliseum"), parking areas and related structures, roadways, sidewalks, loading areas and other improvements (collectively, the "Coliseum Complex"); and

WHEREAS, the County of Alameda ("County") owns the other fifty percent (50%) undivided interest (the "County's Interest") in the Property and on December 23, 2019, the County entered into a disposition and sale agreement with the Coliseum Way Partners, LLC, a Delaware limited liability company ("Coliseum Way Partners") ("Disposition Agreement"), which is an entity affiliated with the Oakland Athletics, for the sale of the County's Interest whereby Coliseum

Way Partners shall make installment payments to the County over a number of years for the purchase of the County's Interest; and

WHEREAS, the Oakland-Alameda County Coliseum Authority ("JPA") is a joint powers authority established by the City and County, which manages the Property on behalf of the City and the County pursuant to an Amended and Restated Management Agreement, dated as of May 1, 2000; and

WHEREAS, the Coliseum Complex had outstanding lease revenue bond debt ("Bond Debt") managed by the JPA on both the Coliseum and the Arena existing from bond issuances for Property renovations and improvements. The final payment of the Bond Debt related to the Coliseum has been paid and the process for closing out the Coliseum Bond Debt, including clearing bond-related document from title is underway. The final Bond Debt related to the Arena is scheduled to be fully paid in February and the similar close-out process is anticipated to be completed by June 30, 2026; and

WHEREAS, on March 31, 2015, pursuant to Resolution No. 85491 C.M.S., the City Council certified the Environmental Impact Report, made California Environmental Quality Act ("CEQA") findings, and adopted the Coliseum Area Specific Plan, which included related General Plan amendments (the "Specific Plan"). The Property falls within the boundaries of the Specific Plan; and

WHEREAS, on June 26, 2024 the City Council adopted Ordinance No. 13801 C.M.S. ("Original Ordinance"), which authorized the City Administrator to negotiate and execute a purchase and sale agreement with AASEG Land LLC, a Delaware limited liability company ("AASEG Land") or its affiliate, with certain proposed minimum terms for the purchase and sale of the City's Interest, including the requirement that at least Sixty Million Dollars (\$60,000,000) of the One Hundred Five Million Dollar (\$105,000,000) purchase price (the "Purchase Price") would be paid prior to July 1, 2025 ("Payment Timing Restriction"); and

WHEREAS, on August 31, 2024, the City entered into that certain Real Property Sale Agreement (Coliseum Complex – City's Interest) with Oakland Acquisition Company, LLC, a Delaware limited liability company ("OAC"), an affiliate of AASEG Land (the "Original Agreement"), pursuant to which OAC provided a Five Million Dollar (\$5,000,000) nonrefundable deposit toward the Purchase Price; and

WHEREAS, the City and OAC amended the Original Agreement pursuant to that certain First (Administrative) Amendment of Real Property Sale Agreement (Coliseum Complex – City's Interest) (the "First Amendment", together with the Original Agreement, the "Agreement"), which among other things, increased the Purchase Price to One Hundred Ten Million Dollars (\$110,000,000) and added post-closing additional payments in the amount of Fifteen Million Dollars (\$15,000,000) (the "Additional Payments"); and

WHEREAS, OAC has been negotiating with the County and Coliseum Way Partners to facilitate a coordinated purchase and sale of both the City's Interest and the County's Interest simultaneously; and

WHEREAS, the County and OAC request that the City conform the timing of closing under the Agreement with the timing of closing under the Disposition Agreement so that OAC will be able to acquire the City's Interest and the County's Interest simultaneously; and

WHEREAS, the City owns that certain real property located at 695 Hegenberger Road (Assessor Parcel Number 42-4328-1-28) (the "Hegenberger Property") which is accessed through the Coliseum Complex and would no longer be necessary for the City's use once the Coliseum Complex is sold; and

WHEREAS, under the California Surplus Land Act (Government Code Section 54220-54233) (the "Surplus Land Act"), surplus property is defined as land owned by any local agency no longer necessary for the agency's use; and

WHEREAS, the City intends to follow the provisions of the Surplus Land Act with respect to the disposition of the Hegenberger Property; and

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF OAKLAND DOES ORDAIN AS FOLLOWS:

SECTION 1. The City Council hereby finds and determines that it is in the best interest of the City to convey fee title to the City's Interest to OAC at the same time OAC acquires the County's Interest, pursuant to the Agreement, since (a) the City does not fully own the Coliseum Complex and it would be difficult for any purchaser to effectively own, operate, manage, and redevelop the Coliseum Complex without complete ownership, and (b) if the County sells its interest to Coliseum Way Partners, a private owner, and the City does not sell its interest to OAC, it will be more complicated and potentially more expensive for the City to manage the City's partial interest in the Coliseum Complex.

SECTION 2. The City Council hereby finds and determines that it is in the best interest of the City to preserve the Agreement by hereby amending the Original Ordinance solely to remove the Payment Timing Restriction to facilitate a simultaneous closing with the County for the sale of the County's Interest after the Bond Debt is paid in full, and to permit the balance of the Purchase Price to be paid at closing, which would not affect the post-closing Additional Payments.

SECTION 3. The City Council hereby finds and determines that all other authority given to the City Administrator under the Original Ordinance remains in full force and effect.

SECTION 4. The City Council has independently reviewed the findings for the Hegenberger Property and hereby formally declares the Hegenberger Property as "surplus land" pursuant to Government Code Section 54221(b)(1) of the Surplus Land Act.

SECTION 5. The City Council hereby finds and determines, on a separate and independent basis, that this action will not result in direct or indirect physical change in the environment and does not in-and-of-itself constitute a "project" pursuant to CEQA Guidelines Section 15378. In the alternative, if it is deemed to be a project under CEQA, the common sense

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.

SECTION 6. The recitals contained in this Ordinance are true and correct and are an integral part of the City Council's decision.

SECTION 7. Severability. If any section, subsection, sentence, clause or phrase of this Ordinance is for any reason held to be invalid or unconstitutional by decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of the Chapter. The City Council hereby declares that it would have passed this Ordinance and each section, subsection, clause or phrase thereof irrespective of the fact that one or more other sections, subsections, clauses or phrases may be declared invalid or unconstitutional

SECTION 8. Effective Date. This ordinance shall become effective immediately on final adoption if it receives six or more affirmative votes; otherwise it shall become effective upon the seventh day after final adoption.

IN COUNCIL, OAKLAND, CALIFORNIA,

PASSED BY THE FOLLOWING VOTE:

AYES - BROWN, FIFE, HOUSTON, KAPLAN, RAMACHANDRAN, UNGER, AND
PRESIDENT PRO TEMPORE GALLO

NOES –

ABSENT – COUNCIL PRESIDENT JENKINS (serving as Mayor pursuant to Charter Section 303)

ABSTENTION –

ATTEST: _____
ASHA REED
City Clerk and Clerk of the Council of the
City of Oakland, California

NOTICE AND DIGEST

AN ORDINANCE:

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(3) AND ADOPTING CALIFORNIA ENVIRONMENTAL QUALITY ACT FINDINGS

An Ordinance (1) amending Ordinance No. 13801 C.M.S. authorizing the sale of the City's 50 percent interest in property located at 7000 Coliseum Way, Oakland, California, to remove the restriction of requiring payment of a portion of the purchase price prior to July 1, 2025 to facilitate simultaneous closing with the County of Alameda's sale of its undivided interest in the property after the bond debt related to the property is paid in full; (2) declaring real property located at 695 Hegenberger Road "surplus property" pursuant to the Surplus Land Act (Government Code 54220-54233); and adopting California Environmental Quality Act Findings.