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OFFICE OF THE CITY CLERK
OAKLAND

2013 JUL 18 PM 1:07

AGENDA REPORT

TO: DEANNA J. SANTANA
CITY ADMINISTRATOR

FROM: Fred Blackwell

SUBJECT: Coliseum City 45 Day ENA Extension

DATE: July 11, 2013

City Administrator Deanna J. Santana Date 7/16/13
Approval

COUNCIL DISTRICT: # 7

RECOMMENDATION

Staff recommends that the City Council adopt:

A Resolution Amending Resolution No. 83746 C.M.S. To Authorize A 45-Day Extension To The Exclusive Negotiating Agreement With JRDV Urban International, HKS Sports And Entertainment, HKS Inc., And Forest City Real Estate Services LLC, Or Affiliated Entities, For Development Of The Coliseum City Project At The Oakland-Alameda County Coliseum Complex And Surrounding Areas

EXECUTIVE SUMMARY

The proposed 45 day extension for the existing developer Exclusive Negotiating Agreement (ENA) with JRDV Urban International, HKS Architects and Forest City Real Estate Services for the Coliseum City project is being requested to allow staff to conduct additional due diligence under the existing ENA, since the current master developer team is proposing to add a new investor partner to the agreement. In addition, staff recommends this temporary extension be granted to provide additional staff time to thoroughly review, evaluate and analyze the final deliverables currently due at the end of the original scope prior to considering any additional extensions.

OUTCOME

Authorizing the City Administrator to extend the Exclusive Negotiating Agreement with the master developer team for an additional 45 days will allow staff to conduct its proper due diligence regarding a newly proposed investor partner prior to considering any additional long-term ENA extensions. Moreover, this proposed 45-day extension will provide additional time

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for staff to conduct a thorough examination and review of all final deliverables due at the end of the original ENA timeframe which is currently scheduled to expire on September 6, 2013.

BACKGROUND/LEGISLATIVE HISTORY

In March 2012, the City entered into twelve month, with a six-month option to extend ENA with a team of urban designers, architects and developers led by the Oakland-based firm of JRDV Urban International, HKS and Forest City, pursuant to Oakland City Council Resolution No. 83746 C.M.S. The purpose of the original ENA was to conduct a master plan vision for the entire area of land, including the land immediately surrounding the existing Oakland-Alameda County Coliseum Complex.

After active engagement with elected officials, civic leaders and staff, including meetings with outside agencies, major stakeholders, professional sports franchises, leagues and surrounding neighborhood groups, the team prepared a Master Plan vision for Coliseum City. The Master Plan concept represents the preferred vision for the area, accommodating up to three new venues for the City's professional sports teams, significant transportation and transit enhancements to the area, development of new retail, housing, office, hotel and entertainment uses at the Coliseum site, and open space amenities within the immediate surrounding area.

The entire area covered by the Master Plan encompasses approximately 800 acres bounded by 66th Avenue to the north, Hegenberger Road to the south, San Leandro Street to the east, and the Doolittle Drive to the west. The Coliseum City Master Plan is providing the basis upon which the City is currently under a separate contract with a specialized planning consultant firm for the specific plan and CEQA/EIR analysis. The specific plan will also identify alternatives to the Master Plan, considering different development scenarios. Pursuant to CEQA, the separate planning contract will prepare an Environmental Impact Report (EIR) to address the potential physical environmental effects of the Coliseum City.

ANALYSIS

The Coliseum City Master Plan seeks to transform the area including and surrounding the Oakland-Alameda County Coliseum Complex into a world-class sports, entertainment and science and technology district that boasts a dynamic and active urban setting with retail, entertainment, arts, culture, live and work uses. The area is centrally located in the East Bay, and has many highly-sought after development assets, including direct freeway access, immediate Coliseum BART and Amtrak access, Oakland Airport Connector and Oakland International Airport access and waterfront views.

As a regional mixed use entertainment destination center, Coliseum City would become a major economic catalyst for the City and the region, beyond the current sports franchises and could

generate thousands of high-quality/paying jobs in growth industries such as biotechnology, life sciences, research and development, multimedia, green tech and other growth sectors.

Since the initial Master Plan concept has been prepared, the City is now preparing a Draft Environmental Impact Report (DEIR) for the proposed Coliseum Area Specific Plan. The Coliseum City Master Plan envisions up to three new sports venues including separate football, baseball and basketball venues totaling nearly 1.7 million square feet of building space with 131,000 seats, just over 14 million square feet of science and technology, office, light industrial, logistics and retail space, and up to 6,000 new residential units. This represents an increase of approximately 8.0 million square feet of new building space within the Plan area. It also includes the potential for up to 40 acres of new, publically-accessible open space, restoration and naturalization of the Damon Slough and new pedestrian amenities and connections to the Oakland Estuary and waterfront.

The Master Plan is intended to provide numerous development scenarios for implementing the Coliseum City project, which can accommodate up to three new venues for the City's professional sports teams. The separate specific plan is also intended to serve as a 25 year planning document that will provide a roadmap for future development in the Coliseum Area to create significant long-term value for Oakland and Alameda County. Both the Master Plan and Specific Plan are intended to facilitate the transformation of what is currently one of the largest under-developed, inner-urban, transit-served redevelopment opportunities in California. Implementation of the plans is seen as a critical opportunity to revitalize some of Oakland's most important physical assets, and transform this area for robust long-term economic growth.

Ultimately, realization of Coliseum City is dependent upon the feasibility of both public and private financing options for various components. As such, the additional 45 day extension timeframe will allow staff to conduct its due diligence regarding the new potential investor entity currently interested in the project, as well as review of all the final project deliverables due at the end of the current ENA timeframe, before considering granting any additional longer term extensions.

PUBLIC OUTREACH/INTEREST

The property is located in the Coliseum redevelopment project area in the City of Oakland. The Coliseum Area Redevelopment Plan was originally adopted in 1995 and has been updated every five years with extensive community outreach and input. The plan has long identified and promoted the area surrounding the Oakland-Alameda County Coliseum Complex as a unique opportunity to realize a larger vision integrating sports, entertainment, hotel, office, commercial retail and residential and open space.

COORDINATION

The Office of Neighborhood Investment has coordinated its efforts with the Department of Planning and Building, the Public Works Agency, the City Attorney's Office, the Budget Office, major public transit and utility agencies, as well as business, non-profit organizations and community stakeholders.

COST SUMMARY/IMPLICATIONS

The proposed 45 day ENA extension will not have any additional fiscal impacts beyond those already incurred through the existing predevelopment agreement with the master developer under the original ENA scope. Funds totaling \$1.6 million were previously appropriated and are currently encumbered under the existing Coliseum 2006 Series Taxable Bond Funds.

SUSTAINABLE OPPORTUNITIES

Economic: Coliseum City could have substantial economic regional impacts which can be characterized in terms of net direct spending, total output, income and jobs. In addition, the project could have tremendous positive fiscal impacts which can be measured in both city and county tax revenue increases including property taxes, sales taxes, business taxes, etc.

Environmental: Coliseum City is envisioned to contribute and enhance smart growth principles to leverage the Coliseum's existing multi-modal transportation amenities and shall be consistent with regional growth policies and state growth mandates SB 375 and AB 32. The project also envisions a regional scale transit oriented development creating a mix of housing, entertainment, office, retail and commercial utilizing the Coliseum's extensive mass transit network and thereby reducing the need for automobile reliance.

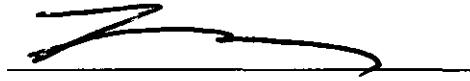
Social Equity: The East Oakland neighborhood surrounding the Coliseum has long been attributed to social and economic equity issues and has been historically underserved. Coliseum City would ultimately provide positive economic stimulus to the neighborhood and would be important for continued neighborhood job growth and economic stability.

CEQA

The project will require an Environmental Impact Report under CEQA; this EIR is currently underway through a separate professional services contract with a specialized planning consultant firm.

For questions regarding this report, please contact Larry Gallegos at (510) 238-6174.

Respectfully submitted,



Fred Blackwell
Assistant City Administrator

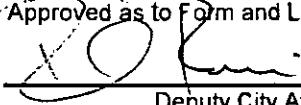
Reviewed by:
Gregory Hunter, Neighborhood Investment Manager

Prepared by:
Larry Gallegos, Project Area Manager
Office of Neighborhood Investment

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Approved as to Form and Legality

Deputy City Attorney

OAKLAND CITY COUNCIL

RESOLUTION NO. _____ C.M.S.

RESOLUTION AMENDING RESOLUTION NO. 83746 C.M.S. TO AUTHORIZE A 45-DAY EXTENSION TO THE EXCLUSIVE NEGOTIATING AGREEMENT WITH JRDV URBAN INTERNATIONAL, HKS SPORTS AND ENTERTAINMENT, HKS INC., AND FOREST CITY REAL ESTATE SERVICES LLC, OR AFFILIATED ENTITIES, FOR DEVELOPMENT OF THE COLISEUM CITY PROJECT AT THE OAKLAND-ALAMEDA COUNTY COLISEUM COMPLEX AND SURROUNDING AREA

WHEREAS, the City recognizes the Oakland-Alameda County Coliseum Complex site and surrounding area as an ideal location for a world class mixed use, sports, office, hotel and entertainment complex, all accessible to multiple modes of transportation, taking advantage of the proximity to the waterfront and the Oakland International Airport; and

WHEREAS, City Council Resolution No. 83747 C.M.S. authorized the City to enter into an Exclusive Negotiating Agreement (“ENA”) with JRDV Urban International, HKS Sports and Entertainment, HKS Inc., and Forest City Real Estate Services LLC, or affiliated entities, as the preferred developer team for the Coliseum City project; and

WHEREAS, on March 6, 2012, the City entered into an ENA with JRDV Architects, Inc., HKS Architects, Inc., and Forest City Real Estate Services, LLC, for the Coliseum City project; and

WHEREAS, the master developer team has been tasked with completing a number of predevelopment activity deliverables including but not limited to: physical site analysis; infrastructure cost assessments; concept plans; transit hub conceptual plans; market analysis and assessments; environmental assessments; coordination with Specific Plan and CEQA/EIR consultant team; and completing a Coliseum City Master Plan; and

WHEREAS, as a result of completing this preliminary predevelopment work under the ENA deliverables, the master developer team has attracted a new potential equity investor partner interested in the Coliseum City project; and

WHEREAS, the Coliseum City ENA is currently set to expire on September 6, 2013; and

WHEREAS, the City recognizes the desire to provide additional time to conduct sufficient due diligence regarding the new potential equity investor partner as well as to thoroughly examine and analyze the final reports and deliverables that will be due at the end of the original ENA scheduled timeframe; now, therefore, be it

RESOLVED: That the City Council hereby amends Resolution No. 83747 C.M.S. to authorize the City Administrator, or her designee, to negotiate and enter into an amendment to the ENA with JRDV Architects, Inc., HKS Architects, Inc., and Forest City Real Estate Services, LLC, for the Coliseum City project to extend the current exclusive negotiating period for an additional 45 days.

IN COUNCIL, OAKLAND, CALIFORNIA, _____,

PASSED BY THE FOLLOWING VOTE:

AYES- BROOKS, GALLO, GIBSON MCELHANEY, KALB, KAPLAN, REID, SCHAAF
and PRESIDENT KERNIGHAN

NOES-

ABSENT-

ABSTENTION-

ATTEST: _____

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