



FILED
OFFICE OF THE CITY CLERK
OAKLAND

2017 MAR -2 PM 1:50

AGENDA REPORT

TO: Sabrina B. Landreth
City Administrator

FROM: Mark Sawicki
Director, EWD

SUBJECT: 500 Kirkham DDA Assignment

DATE: February 17, 2017

City Administrator Approval

Date:

3/1/17

RECOMMENDATION

Staff Recommends That The City Council Adopt An Ordinance Amending Ordinance No. 13368 C.M.S., Which Authorized A Disposition And Development Agreement (DDA) with TL Partners V, L.P., For Disposition And Development Of 500 Kirkham Street As A Mixed-Use Project, To Assign The DDA To Panoramic Interests, LLC, Or An Affiliate.

EXECUTIVE SUMMARY

On May 17, 2016 the City Council adopted Ordinance No. 13368 C.M.S which authorized the City Administrator to exercise an exclusive Option to purchase property located at 500 Kirkham Street (the "Property") from the California Department of Transportation ("Caltrans") in the amount of \$4,253,977 and to negotiate and execute a Disposition and Development Agreement (DDA) that will allow the City to sell the Property to TL Partners V, L.P. (TLC) for the same amount purchased by the City, to build a mixed-use transit-oriented development project consistent with the West Oakland Specific Plan (WOSP).

The Project that was approved under the DDA consists of 417 residential units with 7.5 percent of the project's total units (31 units) set as affordable to moderate-income households. Additional community benefits negotiated under the DDA were: (a) a \$3.15 million payment to the City's Affordable Housing Trust Fund (AHTF); (b) a \$1 million payment to the City of Oakland or an entity to be named by the City of Oakland to provide job training for local residents; and (c) building and maintaining open space at the corner of 5th and Kirkham to be made available to the public. The DDA was executed on October 24, 2016.

The current developer, TLC, now wishes to assign the DDA to Panoramic Interests, LLC, a firm headed by Mr. Patrick Kennedy. Panoramic Interests has the funds to immediately purchase the Property by the Caltrans closing deadline of April 12, 2017. Panoramic is not seeking any other changes to the DDA at this time other than to adjust the Project Schedule in the short term to allow time for a community process. However, Panoramic intends to seek Planning approval of an "Alternate Project" with a much higher density (approximately 1,459 "microunits" consisting of "studios", "duos" and "suites"). Ideally, Planning approval of the proposed Alternate Project would happen before the land transfer deadline of April 12, 2017. That schedule cannot be met. If and when Panoramic's Alternate Project is approved by Planning, staff will return to the City

Item: _____
CED Committee
March 14, 2017

Council for an amendment to the DDA authorizing the new project, as well as other possible changes. No project changes or development amendments are a part of this reassignment request. At this time, staff is only seeking Council approval to assign the executed DDA from TLC to Panoramic Interests.

BACKGROUND / LEGISLATIVE HISTORY

A. Property Location, Recent History and Current Ownership Status

Caltrans owns approximately 2.85 acres of excess land that was the site of the former Cypress Freeway on the block bounded by 5th Street, 7th Street, Kirkham Street and Union Street, commonly known as 500 Kirkham and identified by Caltrans as Director's Deed number 009579-01-01. Under Caltrans procedures for sale of excess property (per California Transportation Commission Resolution G-98-28), Caltrans is authorized to sell excess land to public agencies at fair market value (FMV) without calling for competitive auction bids upon a determination that the intended uses are for a public purpose, such as a transit-oriented development (TOD). In Fiscal Year 2012-13, Caltrans offered the Property for lease or sale to a public agency for a public purpose; and the City responded to the offer with a request to purchase the Property for development as a transit-oriented mixed-use project, thereby satisfying the public purpose requirement.

Under the authority of an Exclusive Negotiating Agreement (ENA) with West Oakland Development Group, LLC (WODG), the City negotiated a sales price (\$4,253,977) based on two FMV appraisals conducted by two independent third-party appraisers approved by Caltrans.

On October 14, 2014, the City and Caltrans entered into an Option to Purchase Agreement ("Option") in order to lock in this price and facilitate the transfer of the Property for development as a TOD project. After several extensions, that Option will now expire on April 12, 2017, at which point Caltrans may pursue a competitive auction bid to sell the Property on the open market, based on a new appraisal. Both the developer and City seek to avoid this risk if the sale is completed by the April 12, 2017 deadline.

The City is not responsible for any costs associated with this Option, which to-date includes six payments totaling \$795,922 paid directly to Caltrans by WODG and TLC. TLC is the developer partner brought into the team by WODG to move this Project forward and negotiate and execute a DDA.

B. ENA with WODG

On April 9, 2013, pursuant to Resolution No. 84309 C.M.S., the City entered into an ENA with WODG for an initial 12-month term, which was later extended for six months. WODG is a limited liability company made up of four members with deep West Oakland roots and headed by Mr. Jabari Herbert: Alliance for West Oakland Development, Herbert Enterprise Group, LLC, DCSI and Tomorrow's Answer. Also, WODG is the owner of a 3.89 acre parking lot with development potential, located at 1357 5th Street, across the street from both the Property and the West Oakland Bay Area Rapid Transit District (BART) station.

Item: _____
CED Committee
March 14, 2017

Prior to the City entering into a DDA with TLC, WODG satisfied the performance terms of the 2013 ENA which included locking in a sales price with Caltrans, hosting at least two community meetings, developing a project proposal that was approved by the Planning Commission, completing environmental site assessments, and adding TLC to the development team, which demonstrated experience successfully developing projects comparable in type and size to the proposed Project.

C. DDA with Tim Lewis Communities or "TLC"

In 2015, WODG selected TLC as the development partner with the experience and capacity to lead DDA negotiations, close the transaction, and get the approved Project financed and built. TLC is an experienced builder/contractor, originally based in Northern California, that has developed projects and built homes for over 30 years. TLC is solely owned by its President, Mr. Jay Timothy Lewis.

Pursuant to Ordinance No. 13368 C.M.S, a DDA was negotiated with TLC and executed on October 24, 2016. Pursuant to terms of the DDA, the City completed the process to officially vacate Poplar Street between 5th and 7th Street which runs through the Property; and TLC submitted a Remediation Program ("Preliminary Endangerment Assessment") to the California Department of Toxic Substances Control (DTSC) for approval, which concluded that no further action was required, except for the ongoing monitoring of groundwater.

TLC has had difficulty attracting investor commitments for the approved Project. As a result, TLC is asking the City to assign the DDA to Panoramic Interests, which is willing to use its own funds to purchase the Property. Panoramic is interested in pursuing approval for an Alternate Project that they believe would be consistent with the WOSP but would have a better chance of getting financed and built quickly in the current economic climate.

D. The Property's Zoning Designation and Previous Legislative History

There is an over 10-year history of the City making various efforts to promote development on this Property. The Property is located in a Transit Oriented Development Overlay Zone ("S-15W"), which is intended to facilitate dense, mixed-use development around the West Oakland BART station and allows for a reduced parking requirement.

On November 16, 2004, the City Council, pursuant to Resolution No. 78892 C.M.S., designated the Property as an "Infill Opportunity Zone," enabling the City to facilitate transit-oriented mixed use development by modifying traffic standards. That designation terminated after four years, in 2008.

In 2005, the Property was identified as an "opportunity site" in the West Oakland Village Action Report prepared by the City of Oakland, the Oakland Housing Authority and BART.

On September 16, 2005, the Redevelopment Agency, pursuant to Resolution No. 2005-0046 C.M.S., entered into a 12-month ENA with 7th Street Partners, LLC for the purpose of evaluating the feasibility of developing a transit-oriented development on the Property. The Alliance for West Oakland Development (AWOD) was a member of 7th Street Partners, along

with McGrath Properties. The ENA was extended for 12 months after the initial 12-month period and expired on September 16, 2007. By the end of the ENA period, the parties were not able to agree on terms for the purchase of the Property or the responsibility for site cleanup costs. However, during the ENA period, 7th Street Partners did retain Environmental Resources Management to complete Phase I of the environmental investigation. As the ENA expired, Phase II of the environmental investigation was beginning.

On July 1, 2008, the City, pursuant to Resolution No. 81317 C.M.S., entered into a contract with Northgate Environmental Management, Inc. to conduct both Phase I and Phase II environmental investigations for multiple sites in West Oakland, including the Property. This contract was funded by an U.S. Environmental Protection Agency's Brownfields grant. Testing found contamination on the site. The Phase II report was completed on December 11, 2011 and the City later submitted it to DTSC, the state agency that oversees the development of contaminated properties, for review and approval.

In June 2014, the City Council adopted the WOSP, which once again identified the Property as an "opportunity site".

ANALYSIS AND POLICY ALTERNATIVES

A. Panoramic Interests, LLC

Mr. Patrick Kennedy is the owner of Panoramic Interests, LLC, a development firm that has completed 15 high-density infill projects (689 units and 100,000 square feet of commercial space) in Berkeley and San Francisco. Since 1990, the firm has focused on dense, mixed-use mixed-income, infill developments, typically financed with private funds. All of their multi-family housing projects include below-market rate units. See **Attachment A** for the organizational chart of the development team led by Panoramic, which includes TLC staying in as an equity partner and Lowney Architecture as the lead architect.

Panoramic is now focusing exclusively on building "microunits" or what they call "CITYSPACES" which are small and efficient dwelling units in walkable neighborhoods. In January 2013, Panoramic completed a four-story 23-unit modular micro-apartment project at 38 Harriet Street in San Francisco. In August 2015, the firm completed "The Panoramic" in San Francisco: the first high-rise micro-apartment in the United States (160-unit car-free project). Currently, three other microunit apartment projects (292 units total) are in progress.

Once the DDA is assigned to Panoramic, they will seek Planning and City Council approval for a comparable micro-apartment project for 500 Kirkham consisting of 1,459 microunits built over two phases, with 480 units in Phase 1. See **Attachment B** for Project Concept Plans and Floor Plans. Note for comparison that the Project conceptual design that is currently approved under the DDA ("PLN15211"), is an eight-story mixed-use building (five plus stories over a two-level podium) with 417 residential units (44 studios, 295 one-bedrooms and 78 two-bedroom), 21,961 square feet of ground floor retail, 264 parking spaces (55 of which are for retail), and 72,354 square feet of open space. Although the development schedule would have to be extended to allow time for completion of Phase 2 of the proposed Alternate Project, Panoramic anticipates

Item: _____
CED Committee
March 14, 2017

that Phase 1 can be completed within the timeframe and "Outside Date" of the approved Schedule (i.e. construction to start no later than December 1, 2019 and completed by December 1, 2022).

PANORAMIC'S PROPOSED ALTERNATE PROJECT FOR 500 KIRKHAM															
RESIDENTIAL UNITS												OTHER			
		Studios - 160 sqft		Studios - 240 sqft		Duos - 500 sqft		Suites - 700 sqft		Total Units	{Total Affordable Units}	Retail sqft	Maker Space sqft	Parking Spaces	Stories
		{affordable}		{affordable}		{affordable}		{affordable}							
Phase 1	Building 1	276	{21}	48	{4}	0	0	0	0	324	{24}	10,135	0	0	7
	Building 3	0	0	0	0	144	{11}	12	{1}	156	{12}	0	0	84	7
Phase 2	Building 2	309	{23}	50	{4}	0	0	0	0	359	{27}	1,080	2,560	0	7
	Building 4	0	0	0	0	390	{29}	230	{17}	620	{46}	715	9,705	0	10, 12, 16
TOTAL		585	{44}	98	{8}	534	{40}	242	{18}	1459	{109}	11,930	12,265	84	7, 10, 12, 16

Oakland's Impact Fees will apply but any affordable housing negotiated under the DDA will count toward the project's Impact Fee requirement. The DDA currently requires that 7.5 percent of the units onsite will be affordable to moderate income households.

Staff reiterates that the recommended assignment to Panoramic Interests in no way assumes approval of or otherwise endorses the proposed change to the Project. These changes will require thoughtful consideration and review and a new community process.

B. Analysis of Project Feasibility of Alternate Project

Staff's assessment of Panoramic's proforma and project feasibility indicate that the proposed Alternate Project is feasible at this time, especially Phase 1. Project cost for Phase 1 is approximately \$105 million (compared to \$157 million for the Project currently approved under the DDA). Total project costs for both Phases is approximately \$407 million, of which two percent or \$10 million will be Panoramic's equity contribution, while the remaining 32 percent of project equity will come from Panoramic's robust network of private equity investors, consisting of institutional investors and high net worth individuals. Panoramic will obtain a construction loan covering approximately 65 percent of construction costs and permanent financing covering about 65 percent of the project's value at completion and full lease-up.

Residential rent studies from Polaris Pacific, The Mark Company, and Concord group indicate that Panoramic's projected rents (studios at \$1,200 & \$1,250 per month; duos at \$2,300 per month; and suites at \$3,600 per month) are roughly 20 percent below the market averages, for traditionally-sized studios or one- and two-bedroom units.

C. Fiscal and Economic Benefits to the City

Whatever project gets built under the DDA will produce construction jobs and permanent jobs and ongoing revenue to the City in the form of property tax, sales tax, parking taxes, business license tax, as well as further contributing to the growth of the West Oakland economy.

Item: _____
 CED Committee
 March 14, 2017

FISCAL IMPACT

There is no new fiscal impact from amending Ordinance No. 13368 C.M.S. Adoption of the proposed Ordinance will only change the development entity that is party to the DDA for 500 Kirkham, but all other terms and conditions will remain the same. Sale of the Property will generate \$63,810 in transfer tax to the City. Upon completion of all phases and buildings, the proposed Alternate Project will generate an estimated \$4 million per year in property tax and \$475,000 in business license tax.

The City will acquire the Property from Caltrans via a double escrow sale, relying on developer funds to immediately convey the Property to the developer without any expenditure of City funds. If this DDA is assigned to Panoramic, then Panoramic becomes the entity who will be responsible for all escrow fees and closing costs related to this transaction, including any City and County taxes. If neither Panoramic nor TLC is willing or able to close on the purchase by April 12, 2017, the City will not purchase the site from Caltrans.

PUBLIC OUTREACH / INTEREST

In 2015, WODG and TLC met with neighborhood groups and hosted two community meetings in West Oakland to inform the Project design that was later approved by the Planning Commission in April 2016. If Panoramic wishes to pursue an Alternate Project, in addition to seeking Planning Commission approval, they will need to host community meetings to present their new project proposal to the West Oakland community.

In addition, any proposed project will need to be consistent with the adopted WOSP, which identifies the Property as an opportunity site for the transit-oriented development. The WOSP was adopted in June 2014 and was the result of an extensive three-year community input process that started in July 2011.

COORDINATION

Staff of the Economic & Workforce Development Department has coordinated on this agenda item with the City Administrator's Office, the Building and Planning Department, the Public Works Department, the Office of the City Attorney, and the Controller's Bureau.

Notably, initial discussions with Building and Planning Department indicate the microunit design would be allowed under the current zoning and building codes.

SUSTAINABLE OPPORTUNITIES

Economic: The proposed project will transform a contaminated, vacant and underutilized parcel into a dense transit-oriented development that will provide much-needed housing units, some neighborhood-serving retail and maker space, and further stimulate the local economy. Staff estimates construction of the proposed Alternate Project (i.e. both Phase 1 and 2) would produce approximately 1000 construction jobs, 100 permanent jobs, \$4 million in property tax revenue to City (in first full year); and \$475,000 in business license tax revenue (in first full year).

Environmental: As a City infill project with high density use, the pressure to construct on agricultural and other undeveloped land is reduced, thereby helping to prevent urban sprawl. Remediating a contaminated site and bringing it into productive use contributes greatly to the revitalization of West Oakland. The Property's proximity to major public transportation nodes will likely encourage project residents and retail customers to use BART and AC Transit and reduce automobile reliance, which will decrease the use of fossil fuels and greenhouse gas emissions.

Social Equity: Panoramic will be responsible for a community benefits package negotiated under the DDA which currently includes a \$3.15 million payment to the City's AHTF and \$1 million payment to the City for job training. Over 100 housing units of the Alternate Project will be rent restricted for low and moderate income households. The market rate units will also be more affordable by design. The site will also include publically accessible open space.

CEQA

A project-specific CEQA Analysis was completed and made publically available on Friday, April 1, 2016. That Analysis concluded that the current approved Project qualifies for four separate CEQA statutory exemptions and that the West Oakland Specific Plan Environmental Impact Report (EIR) adequately addressed the potential environmental effects of the Project. The Project and CEQA determination was considered at the Planning Commission meeting on April 20, 2016 and approved. The City Council, in approving Ordinance No. 13368 C.M.S., adopted CEQA exemptions (15332, 15183.5, 15183, 15183.3) and, relying on the previously certified 2014 WOSP EIR and an Addendum thereto, determined that no further environmental review is required for sale of the Property and development of the Project, as currently approved.

The Alternate Project will require independent and separate CEQA review as a part of City consideration to approve changes to the project.

Item: _____
CED Committee
March 14, 2017

ACTION REQUESTED OF THE CITY COUNCIL

Staff Recommends That The City Council Adopt An Ordinance Amending Ordinance No. 13368 C.M.S., Which Authorized A Disposition And Development Agreement with TL Partners V, L.P., For Disposition And Development Of 500 Kirkham Street As A Mixed-Use Project, To Assign The DDA To Panoramic Interests, LLC, Or An Affiliate.

For questions regarding this report, please contact Hui-Chang Li, Urban Economic Analyst IV, Project Implementation Division at (510) 238-6239.

Respectfully submitted,



Mark Sawicki
Director, Economic & Workforce Development
Department

Reviewed by: Patrick Lane
Project Implementation Division, Manager

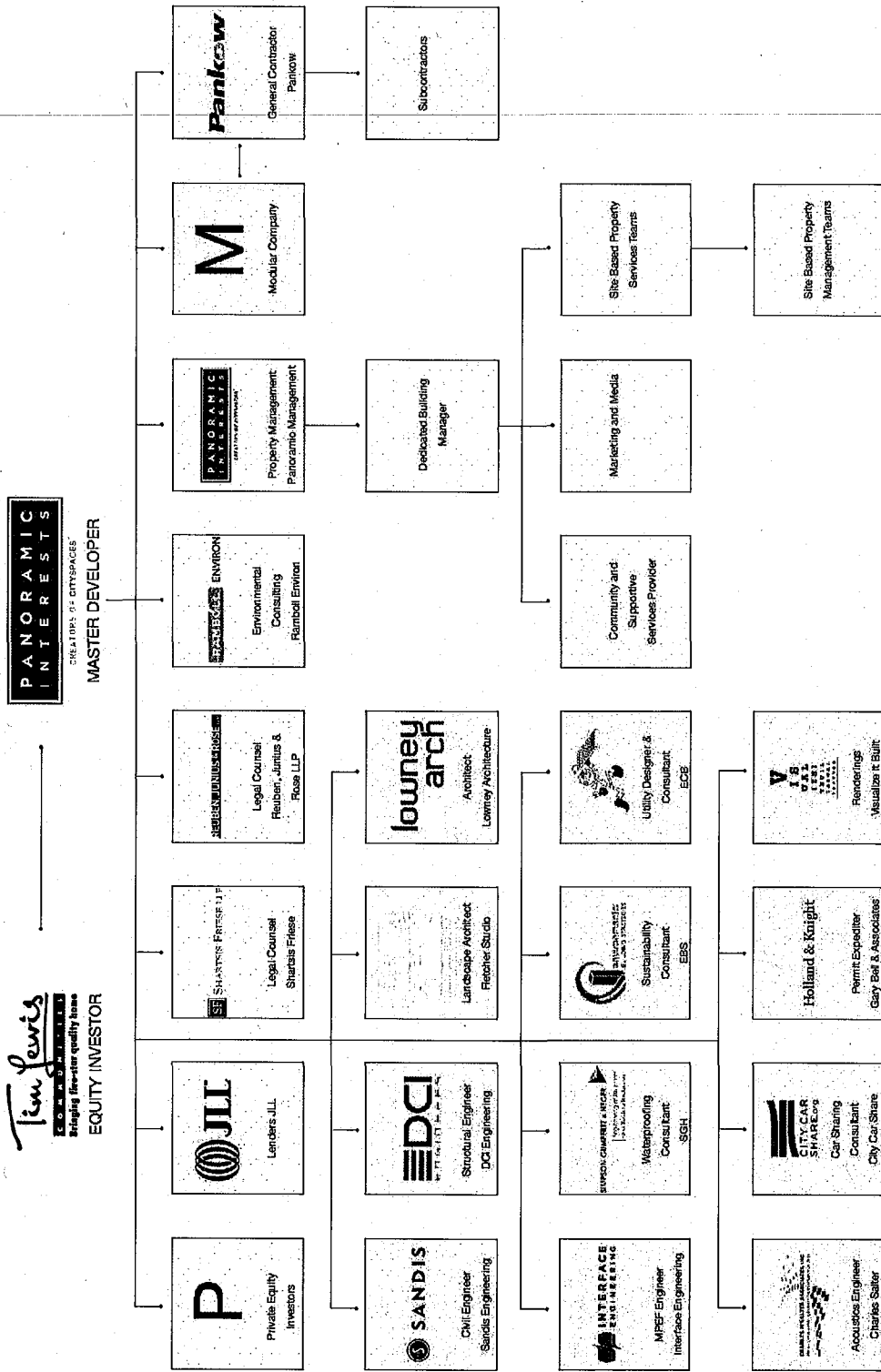
Prepared by:
Hui-Chang Li, Urban Economic Analyst IV
Project Implementation Division

Attachments (2):

Attachment A: Organizational Chart of the Development Team Members
Attachment B: Panoramic's Alternate Project Plans for 500 Kirkham

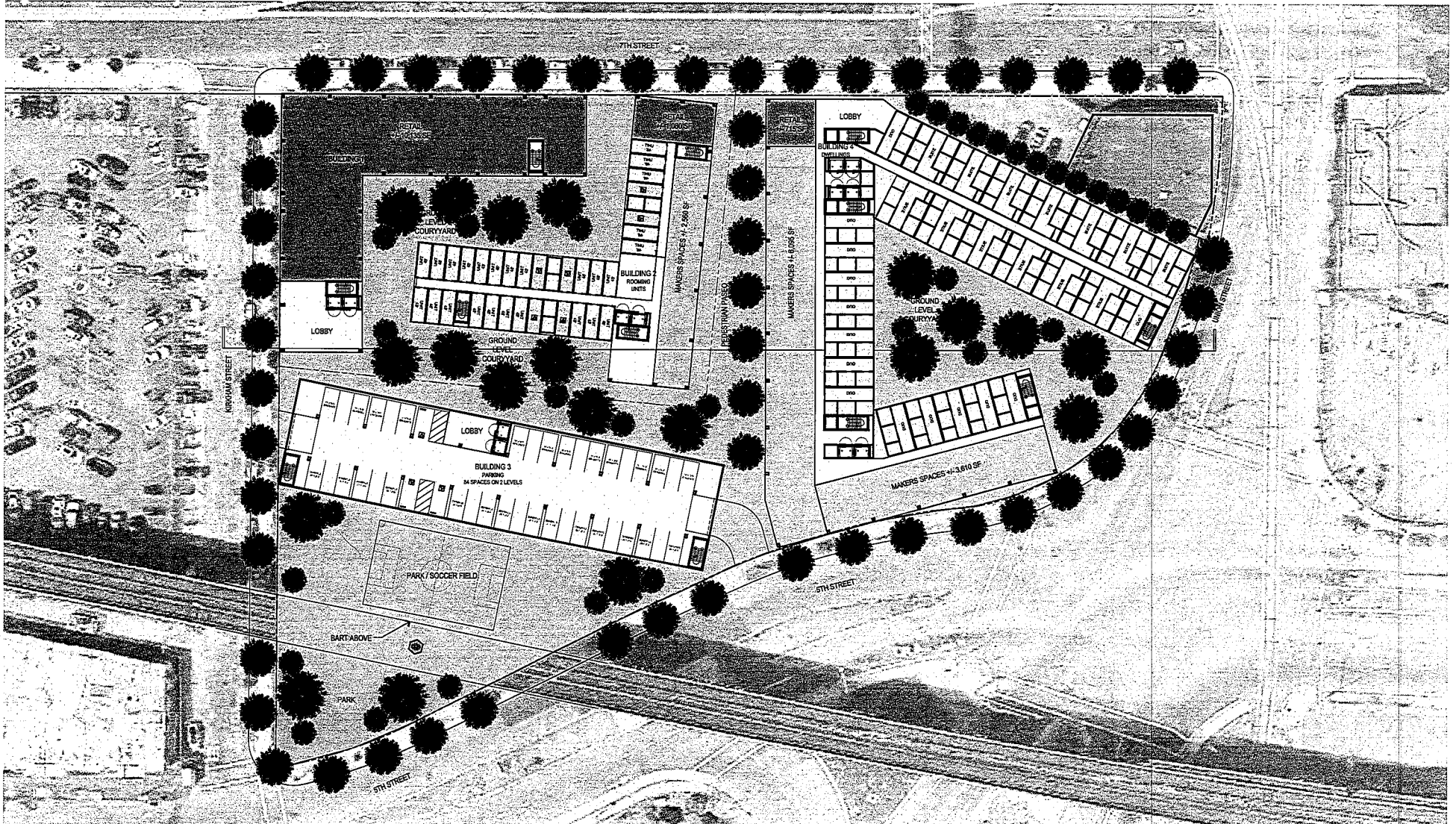
Item: _____
CED Committee
March 14, 2017

Attachment A: Organizational Chart of the Development Team Members for 500 Kirkham



Attachment B: Panoramic's Proposed Alternate Project Plans for 500 Kirkham

[to be inserted]



GROUND LEVEL PLAN

DEVELOPMENT CAPACITY STUDY

500 Kirkham, Oakland

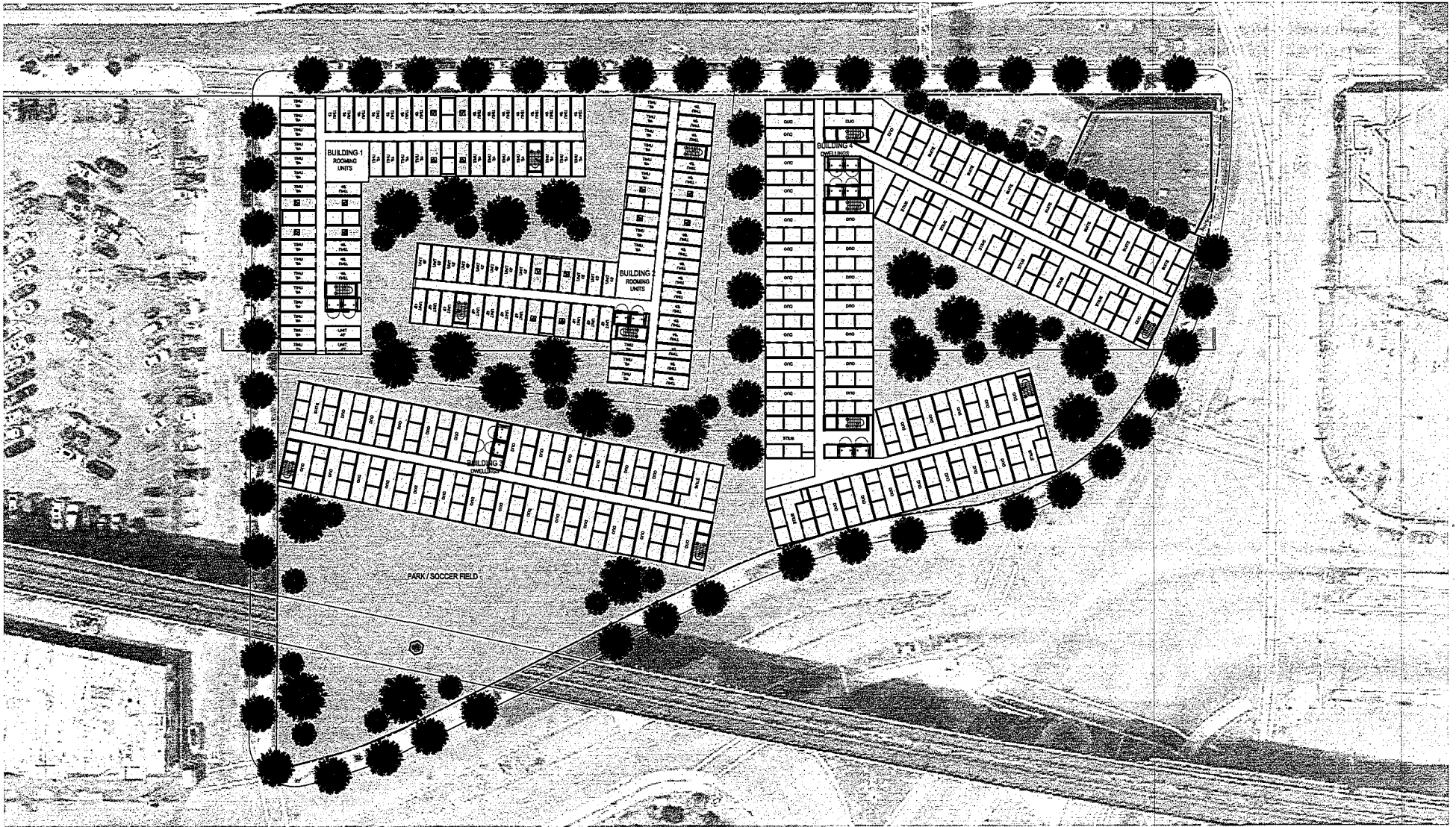
01.10.2016

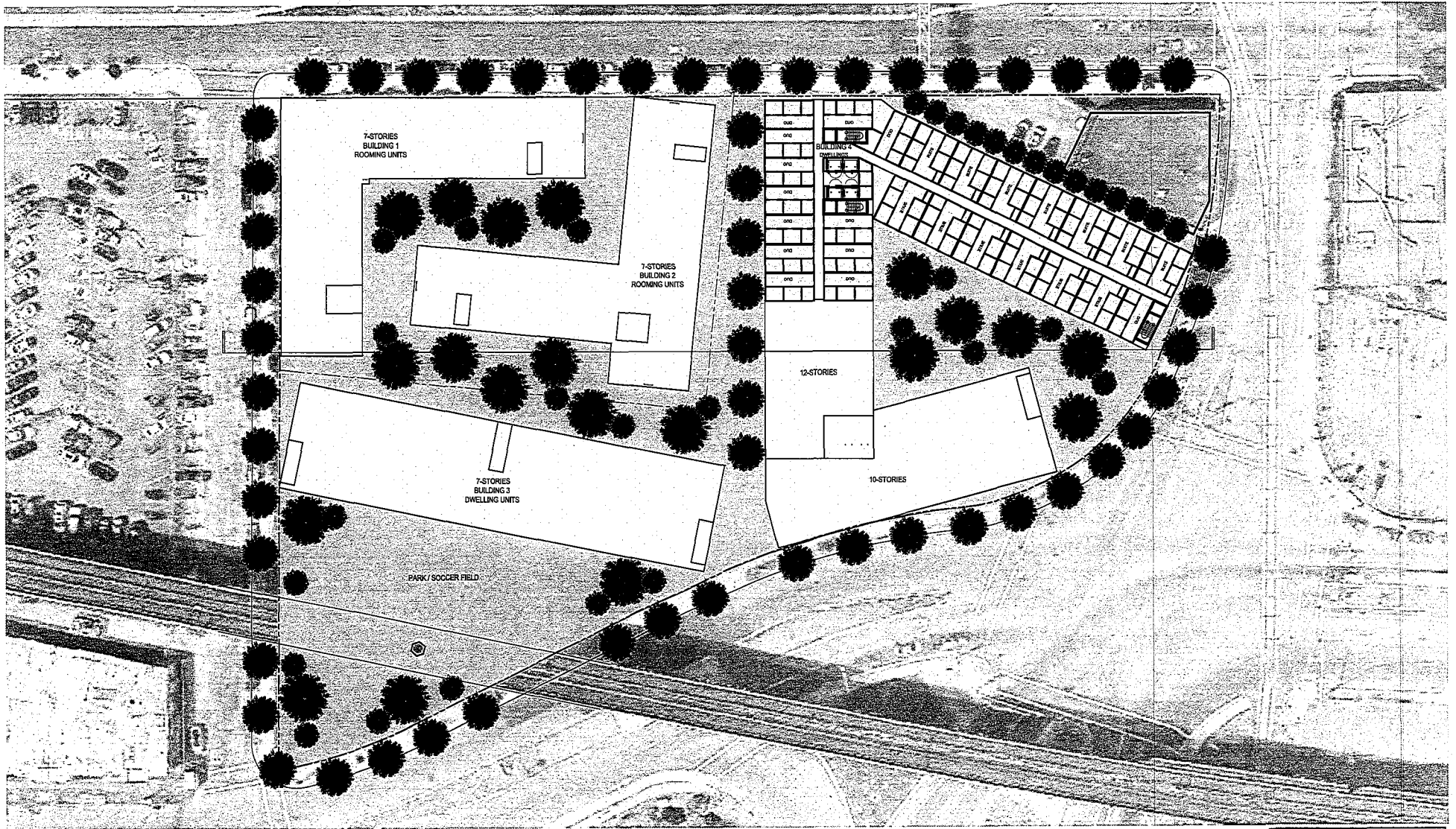
PAGE 1 OF 4



CREATORS OF CITYSPACES™

TRACHTENBERG
ARCHITECTS





PLAN AT UPPER LEVELS

ZONING SUMMARY

	TOTAL SITE	ZONING SECTION
ADDRESS	500 Kirkham	
ZONING	S-15W	
GENERAL PLAN	Community Commercial	
IMPACT FEE ZONE	Fee Zone 2	
LOT SIZE (SQ. FT.)	129,897	
HEIGHT LIMIT	75'	Table 17.35.04
HEIGHT LIMIT 10' SETBACK FACING 7TH	75'	
HEIGHT LIMIT 10' SETBACK FACING KIRKHAM	160'	
HEIGHT LIMIT ABUTTING R-DIST	NA	
MAX. STORIES	15	Table 17.35.04
DWELLING UNITS - DENSITY (SF PER UNIT)	225	Table 17.35.04
DWELLING UNITS - BASE DENSITY	577	Table 17.35.04
DWELLING UNITS - 35% STATE DENSITY	779	17.107.040
DWELLING UNITS - 100% CITY DENSITY	1155	17.107.040
ROOMING UNITS - DENSITY (SF PER UNIT)	110	Table 17.35.04
ROOMING UNITS - BASE DENSITY	1180	Table 17.35.04
ROOMING UNITS - 35% STATE DENSITY	1593	17.107.040
ROOMING UNITS - 100% CITY DENSITY	2360	17.107.040
NON-RESIDENTIAL MAX F.A.R.	5	
DWELLING UNIT OPEN SPACE	75	
ROOMING UNIT OPEN SPACE	38	
ALLOWABLE ACTIVITIES		17.97.040
ALLOWABLE FACILITIES		17.97.060
YARDS AND COURTS		17.97.160
FRONT YARD		
SIDE YARD		
REAR YARD		
PARKING	T.B.D.	Chapter 17.116
COURTYARD REGULATIONS		17.108.120

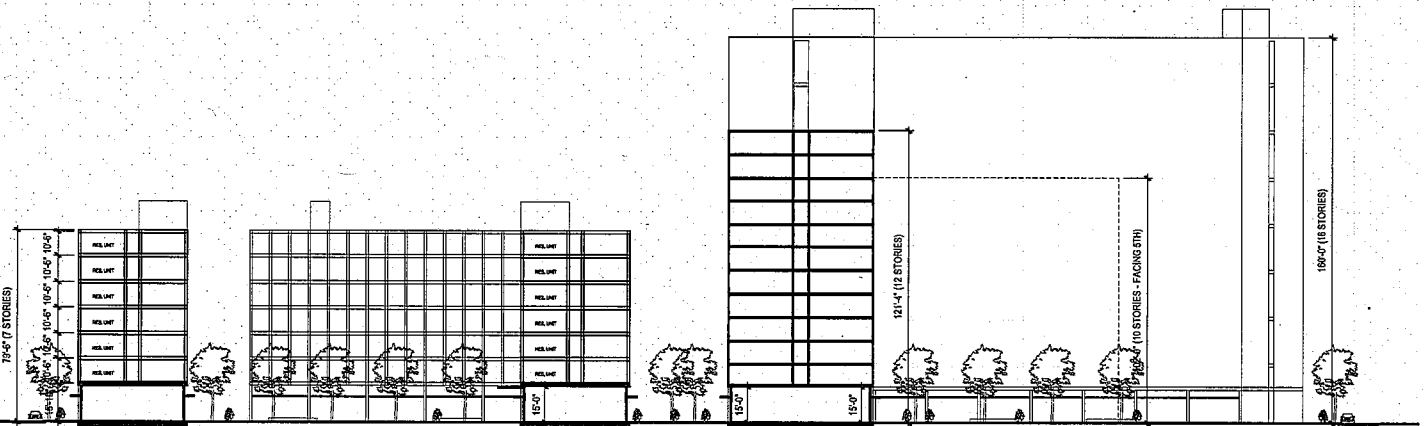
UNIT COUNT TABLE

	ROOMING UNITS SUBSITE	DWELLING UNITS SUBSITE	TOTAL PROJECT
LOT SIZE OF SUB-SITE	39,000	90,897	129,897
DENSITY (LOT AREA PER UNIT)	110	225	NA
BASE DENSITY	355	404	NA
DENSITY WITH 100% CITY DENSITY BONUS	705	808	1517

	ROOMING UNITS SUBSITE	DWELLING UNITS SUBSITE	TOTAL PROJECT
LEVEL 16		26	26
LEVEL 15		26	26
LEVEL 14		26	26
LEVEL 13		26	26
LEVEL 12		35	35
LEVEL 11		35	35
LEVEL 10		49	49
LEVEL 9		49	49
LEVEL 8		49	49
LEVEL 7	112	76	188
LEVEL 6	112	76	188
LEVEL 5	112	76	188
LEVEL 4	112	76	188
LEVEL 3	112	76	188
LEVEL 2	112	76	188
GROUND LEVEL	32	27	59
TOTAL UNITS	704	804	1508
BASE DENSITY	355	404	NA
BONUS PERCENTAGE	99%	99%	NA

DWELLING UNIT MIX

DUO - DWELLING UNITS		555	69%
SUITE - DWELLING UNITS		249	31%
TOTAL DWELLING UNITS		804	100%



SITE SECTION

DEVELOPMENT CAPACITY STUDY
500 Kirkham, Oakland



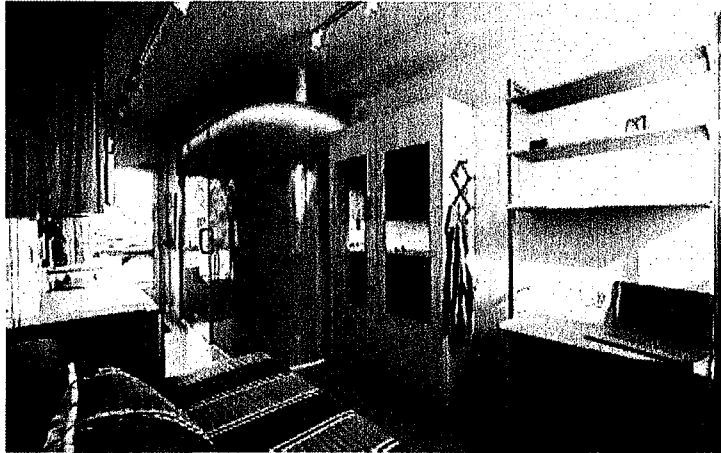
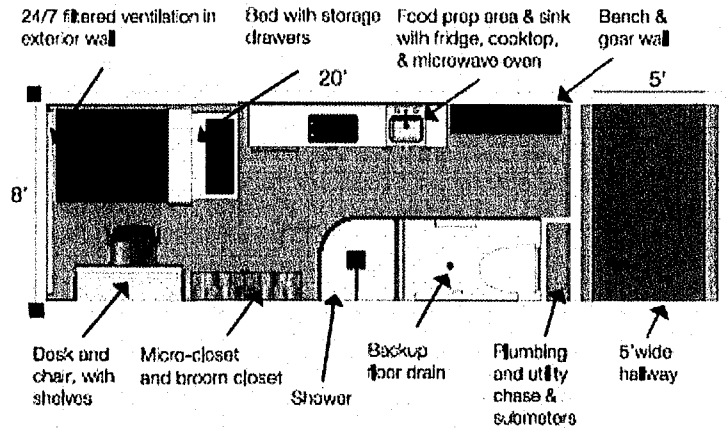
01.10.2016
PAGE 4 OF 4

CREATORS OF CITYSPACES™

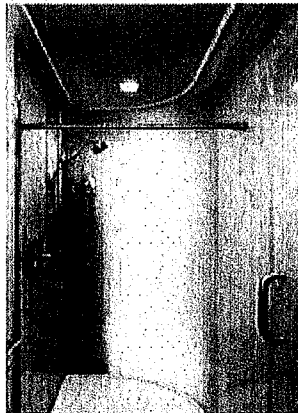


SAMPLE FLOOR PLANS

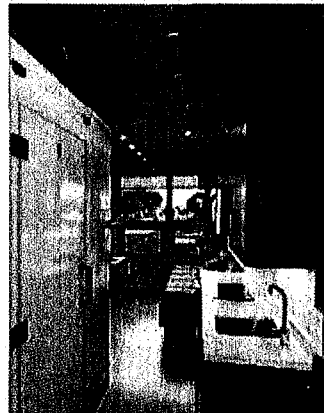
CITYSPACES® MicroPAD®



Kitchen, bathroom, broom closet, micro-closet, desk and daybed.



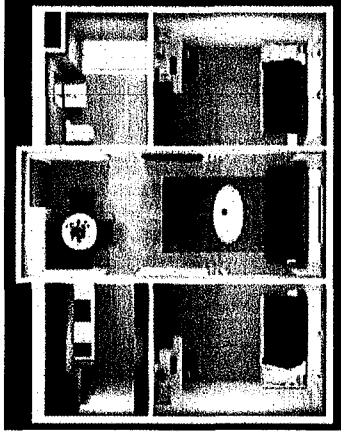
Full size shower with laminated safety glass.



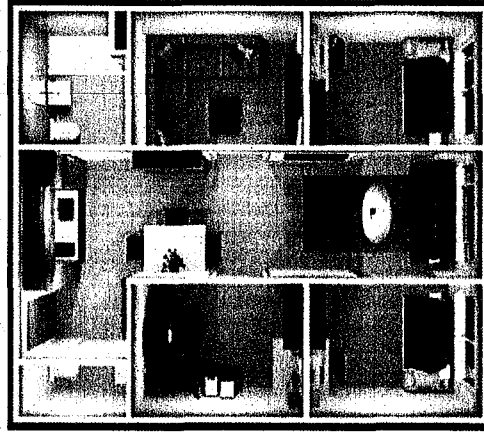
Entry foyer, with kitchen and gear wall.

Floor Plans

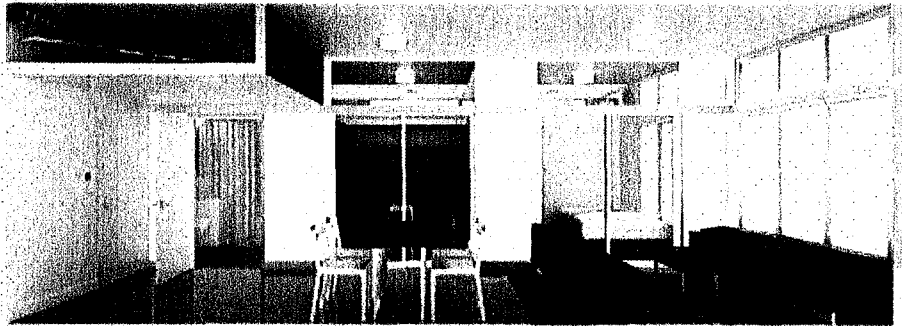
The *Duo* has 2 bedrooms, a living room, a full kitchen and a bathroom; the *Suite* has 4 bedrooms, a dining/living room, a full kitchen, and 1 1/2 bathrooms.



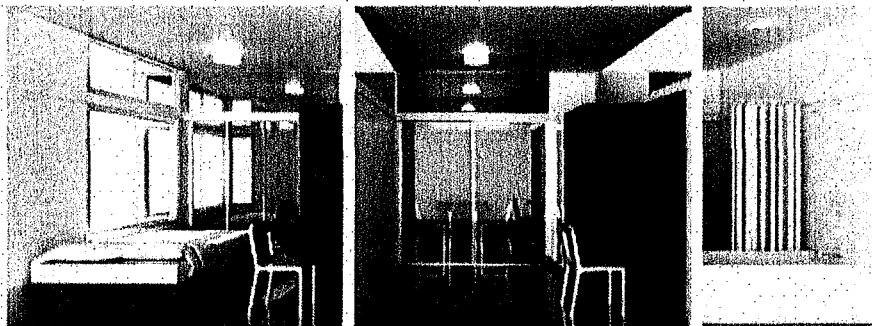
CITYSPACES® *Duo*



CITYSPACES® *Suite*



Suite dining/living area

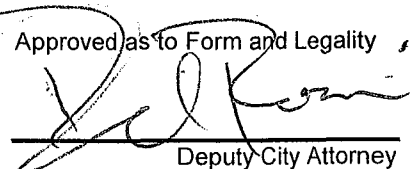


Suite bedroom, office, and bathroom

FILED
OFFICE OF THE CITY CLERK
OAKLAND

2017 MAR -2 PM 1:50

Approved as to Form and Legality


Deputy City Attorney

OAKLAND CITY COUNCIL

ORDINANCE NO. _____ C.M.S.

ORDINANCE AMENDING ORDINANCE NO. 13368 C.M.S., WHICH AUTHORIZED A DISPOSITION AND DEVELOPMENT AGREEMENT (DDA) WITH TL PARTNERS V, L.P., FOR DISPOSITION AND DEVELOPMENT OF 500 KIRKHAM STREET AS A MIXED-USE PROJECT, TO ASSIGN THE DDA TO PANORAMIC INTERESTS, LLC, OR AN AFFILIATE.

WHEREAS, the California Department of Transportation (Caltrans) owns approximately 2.85 acres of excess land that was the site of the former Cypress Freeway on the block bounded by 5th Street, 7th Street, Kirkham Street and Union Street, commonly known as 500 Kirkham (the "Property"); and

WHEREAS, on October 14, 2014, the City and Caltrans entered into an Option to Purchase Agreement ("Option") to lock in the Property's price and facilitate the transfer of the Property for a transit-oriented development (TOD) project, for a term that expires on April 12, 2017; and

WHEREAS, the City Council adopted Ordinance No. 13368 C.M.S. on May 17, 2016, approving the purchase of the Property from Caltrans and authorizing a Disposition and Development Agreement (DDA) with TL Partners V, L.P. ("TLC") to convey the Property to TLC via a double escrow sale, relying solely on TLC's funds for the purchase, for development as a mixed-use residential and retail TOD project; and

WHEREAS, the DDA, which was executed on October 24, 2016, sets forth the terms and conditions under which the City will sell the Property to TLC or its related entities or affiliates, and by which TLC will construct a TOD project on the Property; and

WHEREAS, TLC wishes to assign their interest in the DDA and the project to Panoramic Interests, LLC; and

WHEREAS, Panoramic Interests, LLC, is a development firm which, since 1990, has successfully completed 15 high-density infill projects (consisting of 689 residential units and 100,000 square feet of commercial space in Berkeley and San Francisco) and has relationships to a network of private equity investors who can fund development projects; and

WHEREAS, Panoramic Interests, LLC, is offering the City the immediate funds necessary to exercise the Option to acquire the Property from Caltrans and simultaneously convey the Property to Panoramic via a double escrow sale for a TOD project; and

WHEREAS, the City Council desires to approve the assignment and to substitute in Panoramic Interests, LLC, or an affiliate, for TLC under the DDA; now, therefore

The Council of the City of Oakland does ordain as follows:

SECTION 1. The City Council hereby amends Ordinance No. 13368 C.M.S to substitute Panoramic Interests, LLC, or its affiliate, for TL Partners V, L.P., as party to the DDA, and authorizes assignment by TL Partners V, L.P., of its interest in the DDA to Panoramic Interests, LLC, or an affiliate of Panoramic Interests, LLC, approved by the City Administrator.

SECTION 2. The City Administrator or her designee is authorized to negotiate and enter into an assignment agreement and other agreements necessary to effectuate the assignment, and to take whatever other action is necessary with respect to the Property and the DDA consistent with this Ordinance and its basic purposes.

SECTION 3. This Ordinance shall be in full force and effect immediately upon its passage as provided by Section 216 of the City Charter if adopted by at least six members of Council, or upon the seventh day after final adoption if adopted by fewer votes.

IN COUNCIL, OAKLAND, CALIFORNIA, _____, 2017

PASSED BY THE FOLLOWING VOTE:

AYES – BROOKS, CAMPBELL WASHINGTON, GALLO, GIBSON McELHANEY, GUILLEN, KALB, KAPLAN, and PRESIDENT REID

NOES -

ABSENT -

ABSTENTION –

ATTEST: _____
LaTonda Simmons
City Clerk and Clerk of the Council
of the City of Oakland, California



ORDINANCE AMENDING ORDINANCE NO. 13368 C.M.S., WHICH AUTHORIZED A DISPOSITION AND DEVELOPMENT AGREEMENT (DDA) WITH TL PARTNERS V, L.P., FOR DISPOSITION AND DEVELOPMENT OF 500 KIRKHAM STREET AS A MIXED-USE PROJECT, TO ASSIGN THE DDA TO PANORAMIC INTERESTS, LLC, OR AN AFFILIATE.

NOTICE AND DIGEST

This Ordinance authorizes the City Administrator to assign the Disposition and Development Agreement, executed on October 24, 2016 with TL Partners V, L.P. for disposition and development of 500 Kirkham, to Panoramic Interests, LLC, or an approved affiliate.