



AGENDA REPORT

TO: Edward D. Reiskin
City Administrator

FROM: Alexa Jeffress
Director, Economic and
Workforce Development

SUBJECT: SUPPLEMENTAL – Coliseum
Complex ENA

DATE: November 10, 2021

City Administrator Approval 

Date: Nov 10, 2021

REASON FOR SUPPLEMENTAL

This supplemental report provides additional information and recommendation regarding the item being brought forward by Councilmembers Kaplan and Gallo on November 16, 2021 for action on a resolution authorizing the City Administrator to enter into an Exclusive Negotiating Agreement (ENA) with either the African American Sports And Entertainment Group (AASEG) or the Stewart Property Group, LLC for the acquisition and development of the City's fifty percent undivided interest of the Oakland Alameda County Coliseum Complex (Coliseum Complex).

BACKGROUND

In July 2021, after receiving unsolicited proposals from several interested parties, the City Council directed the City Administrator to negotiate non-exclusively with AASEG and the Stewart Property Group regarding an ENA for the City of Oakland's fifty percent undivided interest in the Coliseum Complex. City Council also directed staff to return in six months, or January 2022, for further direction and/or action.

STATUS UPDATE

Pursuant to this direction, staff has been in discussions with both groups since July and has reached agreement on a number of key ENA terms. However, staff is still in the process of completing its review and due diligence on each team's development experience and the commitments of each team's financial capital partner(s). While both teams have recently expanded their development team, staff's initial review suggests that the teams have not shown strong evidence of extensive experience with building comparable large-scale, multi-phased real estate projects similar in size, scale and cost as what is being contemplated for the Coliseum Complex. In addition, each team submitted more detailed information from their proposed capital financial partners last week, and staff are still in the process of evaluating those materials.

As previously directed by City Council, staff intends to complete its negotiations and due diligence with both teams over the next several months and return to Council in January 2022.

City Council
November 16, 2021

As part of that process, staff will request further information, including references, regarding each team's experience with comparable large-scale development projects, and/or recommend that each team bolster its team to include partners with that experience. Staff will also use the remaining time to conduct due diligence on each team's financial partners and review recently received letters of financial support.

Finally, while the City declared the Coliseum Complex to be surplus land pursuant to the State Surplus Lands Act (SLA) in 2019, the Act states that the California Department of Housing and Community Development (State HCD) must approve City's SLA process, in writing, "prior to finalizing any agreements or disposing of any surplus land with a prospective transferee." Staff sent State HCD all relevant SLA "close-out" materials on October 13, 2021, and State HCD has approximately 30 days to provide written consent of its confirmation of the City's SLA process for the Coliseum Complex.

As of today, staff has not received State HCD's written confirmation of the City's compliance with the State SLA.

RECOMMENDATION

Staff recommends that the City Council wait until staff has fully completed its six-month due diligence and negotiation process, as previously directed, prior to taking action on an ENA.

For questions regarding this report, please contact Larry Gallegos, Redevelopment Manager at lgallegos@oaklandca.gov or 510-238-6174 or Kelley Kahn, Director of Special Projects at kkahn@oaklandca.gov or 510-238-6190.

Respectfully submitted,



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Development