

# OAKLAND OVERSIGHT BOARD

## MEMORANDUM

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<b>TO:</b>	Oakland Oversight Board	<b>FROM:</b>	Fred Blackwell
<b>SUBJECT:</b>	Approval of Long-Range Property Management Plan	<b>DATE:</b>	July 15, 2013
		<b>ITEM:</b>	#7

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### **RECOMMENDATION**

The Oakland Redevelopment Successor Agency (“ORSA”) and the City of Oakland recommend that the Oakland Oversight Board adopt an Oversight Board resolution approving a Long-Range Property Management Plan addressing the disposition and use of former Redevelopment Agency properties, and approving the disposition and transfer of those properties identified in the Plan as governmental use, enforceable obligation, or future development properties to the City of Oakland in conformance with the Plan and the dissolution law.

### **EXECUTIVE SUMMARY**

Per Assembly Bill 1484 (“AB 1484”), successor agencies are allowed to move ahead with new property transactions or conclude previously initiated transactions, once a “finding of completion” is received from the California Department of Finance (“DOF”). Before any transaction can be authorized, the successor agency is first required to prepare and get approval of a “long-range property management plan” addressing the disposition and use of real properties previously owned by the redevelopment agency. The long-range property management plan must be submitted to the oversight board and DOF for approval no later than six months following receipt of the finding of completion.

The long-range property management plan (the “Property Management Plan”) prepared by City staff on behalf of the Oakland Redevelopment Successor Agency (“ORSA”) lists the former Redevelopment Agency properties in four categories: 1) properties retained for governmental use; 2) properties used to fulfill enforceable obligations; 3) properties retained for future development; and 4) properties slated for immediate sale. Staff has prepared the Property Management Plan for the properties formerly owned by the Redevelopment Agency (included as *Exhibit A* to the proposed Resolution), which includes complete property descriptions for each site within these categories. As of the writing of this report, approval of the Property Management Plan by the City Council acting as the ORSA governing body is expected on July 2, 2013.

## **OUTCOME**

Adoption of the Oakland Oversight Board resolution approving the Property Management Plan will allow ORSA to submit the Plan for the properties owned by the former Redevelopment Agency per AB 1484 to DOF for approval. The resolution would also allow ORSA to transfer those properties identified in the Plan as governmental use, enforceable obligation, or future development properties to the City if the transfer is in conformance with the Plan and the dissolution law.

## **BACKGROUND/LEGISLATIVE HISTORY**

Once a finding of completion is received by a successor agency, AB 1484 allows the successor agency to prepare and submit for approval a Property Management Plan addressing the disposition and use of real properties previously owned by the redevelopment agency. The Plan will allow the successor agency or the city to move forward with real property dispositions for future development or other uses. The Property Management Plan must be submitted to the oversight board and DOF for approval no later than six months following receipt of the finding of completion. A successor agency is eligible to receive a finding of completion upon making three payments: the July 2012 “true-up” payment, the Housing Due Diligence Review (“DDR”) payment and the Other Funds and Accounts DDR payment. ORSA has made all three payments and received a finding of completion on May 29, 2013.

As required by AB 1484, the Property Management Plan proposed by ORSA divides the former Redevelopment Agency properties into four categories:

There are six sites that fall under the category of **governmental use**. They include: a street right-of-way parcel, the Amtrak Station near the Oakland Coliseum, the entry to the 12<sup>th</sup> Street BART station, a right-of-way/open space parcel at Leona Creek in East Oakland, the Oakland Ice Center, and the City Center West Public Garage. Please note that several properties listed in other categories can also be considered governmental use properties, including the Fox Theater (listed as an enforceable obligation property, although it used as a public charter school and a cultural center), the UCOP Garage (listed as an enforceable obligation property, although it provides parking to governmental employees and the general public), the Telegraph Plaza Public Garage (listed as a future development site, although it provides parking to the general public) and the Franklin 88 Garage (listed as a sale property, although it provides parking to the general public).

There are five sites in the category of **properties needed to fulfill an enforceable obligation**. They include the parcels encumbered by the Uptown Lease Disposition and Development Agreement, the Sears Disposition and Development Agreement, the 17<sup>th</sup> Street Garage Disposition and Development Agreement, the Fox Theater Disposition and Development Agreement, and the UCOP Garage Purchase and Sale Agreement. These properties, along with eight of the Army Base parcels, were transferred to the City of

Oakland to remain with the City as property with enforceable obligations already in place. The transfers of these properties were approved by the Oakland Oversight Board, Resolution No. 2013-06 dated March 18, 2013, and are pending review by DOF.

There are approximately 17 sites that fall under the category of **future development properties**. Some examples of these types of future development sites include: 23<sup>rd</sup> and Valdez; Uptown Parcel 4; Foothill/Seminary; 73<sup>rd</sup> and Foothill; Oak Knoll; Hill Elmhurst; and Coliseum City. Please note, the Amtrak Station parcels are currently listed under the governmental use category but could be also considered as a potential future development site under Coliseum City as well.

Finally, there are eight sites that fall under the category of **for sale properties**. These include both useable parcels with modest market value and small remainder sites that have little and minimal market value.

Note that there are several properties formerly owned by the Redevelopment Agency that are not included in this Plan, including:

Seven properties that were deemed housing assets that were transferred to the City as housing successor, per Health and Safety Code Section 34176(a)(1). These transfers were approved by the Oakland Oversight Board on July 16, 2012 (Resolution No. 2012-07) and DOF on August 31, 2012.

Nine parcels on the former Oakland Army Base that are the subject of a separate long-range property management plan that is pending approval by DOF as of the preparation of this Plan. The Oversight Board was presented with this plan on July 1.

Eight parcels that were sold by the City to the Redevelopment Agency prior to dissolution, that are expected to be ordered returned to the City by the State Controller per Health and Safety Code Section 34167.5.

Nine street or park governmental use parcels that were transferred to the City to remain as City-owned public infrastructure. These transfers were approved by the Oakland Oversight Board, Resolution No. 2013-09 dated April 15, 2013, and are pending review by DOF.

Please note that the State Controller's Office has conducted its review of asset transfers from the former Redevelopment Agency to the City per state law, and the City anticipates that the Controller will order the return of a number of properties to ORSA by the City. Therefore, these properties are included in the Property Management Plan, even though they are currently owned by the City.

## Governmental Use Properties

The properties discussed in this section of the Property Management Plan are proposed for continuation in governmental use. Under AB 1484, they will be transferred to and/or retained by the City for the City's governmental use.

All of the properties listed in this category, are currently in governmental use serving the governmental needs of the City. As examples of governmental purpose properties, the dissolution law includes roads, school buildings, parks, police and fire stations, libraries, and local agency administrative buildings, although this does not appear to be an exclusive list.

The governmental use properties in the Plan include City Center West, a public parking garage. This facility provides parking to city employees and the general public, parking for City vehicles, and parking serving nearby City facilities. The City believes that City Center West is appropriately categorized as a property currently in the City's governmental use. State law recognizes public parking as a governmental use -- see California Streets & Highways Code Section 32501: "The supplying of additional parking facilities and the performance of all undertakings incidental or advantageous thereto are public uses and purposes for which public money may be spent and private property acquired, and are governmental functions." In Oakland, the ownership and operation of public parking facilities has historically been a common governmental function of the City, and most of the structured parking facilities in downtown Oakland are government-owned. Of the 26 public parking structures currently operating in downtown Oakland, eight have been owned and operated by the City for years; four were owned by the Redevelopment Agency and have now been transferred to the City; and another two are owned by other governmental agencies-- Alameda County and the California Department of Transportation. The City both operates garages around City-owned public buildings and around office, retail and entertainment locations in the downtown.

All of the revenue-producing properties in this category, including the parking facilities, were acquired and/or improved using tax allocation bond proceeds. Under applicable law and bond covenants, these facilities must remain available to the general public, and the revenue produced by bond-funded facilities, as well as proceeds from any sale of these properties, will continue to be restricted to uses consistent federal tax law and with the bond covenants in the indenture, such as retiring the bonds or investing in other capital projects meeting a redevelopment purpose within the applicable redevelopment project area. For properties funded with tax-exempt bond proceeds, IRS regulations also restrict any revenue or sale proceeds to be used for another governmental purpose within two years. Therefore, proceeds restricted by law, such as net revenue from the facility or the proceeds from a sale, would not be available for distribution to taxing entities. See **Attachment B** for Bond Counsel Memoranda regarding recycled bond proceeds.

## Properties to Fulfill Enforceable Obligations

The properties discussed in this section of the Property Management Plan are proposed for retention to fulfill existing enforceable obligations. All of these properties are currently owned by the City, and will be retained by the City to fulfill enforceable obligations. All of the enforceable obligations are in the form of recorded encumbrances that are covenants running with the land significantly restricting the possible uses and disposition of the properties. As discussed above, these properties were approved by the Oversight Board for retention by the City per Resolution No. 2013-06 dated March 18, 2013, and are pending review by DOF. The enforceable obligations that encumber each of these properties are listed below, and are further discussed in the inventory:

- Forest City -- Uptown Residential.
  - Amended and Restated Lease Disposition and Development Agreement with Forest City entity
  - Ground Lease to Forest City entity
  - Option to Purchase by Forest City entity
- Sears -- Thomas L Berkley Way (20th St) and Telegraph Avenue site.
  - Lease Disposition and Development Agreement with Sears
  - Option to Purchase by Sears
- Rotunda Garage -- 16th Street Remainder Site.
  - Disposition and Development Agreement with Rotunda Partners LP
  - Ground Lease to Rotunda Partners LP
  - Option to Purchase by Rotunda Partners LP
  - Access Easements to Rotunda Partners LP
- Fox Theater.
  - Disposition and Development Agreement with Fox Theater Landlord, LLC
  - Ground Lease with Fox Theater Landlord, LLC
- UCOP Garage.
  - Purchase and Sale Agreement with SKS Broadway

Note that the properties comprising the former Oakland Army Base are the subject of a separate long-range property management plan that has already been approved by ORSA.

In addition, all of these properties were acquired and/or improved using tax allocation bond proceeds. Under applicable law and bond covenants, the revenue produced by bond-funded facilities, as well as proceeds from any sale of these properties, will continue to be restricted to uses consistent with the bond covenants in the indenture, such as retiring the bonds or investing in other capital projects meeting a redevelopment purpose within the applicable redevelopment project area.

For properties funded with tax-exempt bond proceeds, IRS regulations also restrict any revenues or sale proceeds to be used for another governmental purpose within two years. Therefore, proceeds restricted by law, such as net revenue from the facility or the proceeds from a sale, would not be available for distribution to taxing entities. See **Attachment B** for Bond Counsel Memoranda regarding recycled bond proceeds.

### Properties for Future Development

The properties discussed in this section of the Property Management Plan are proposed for future development. Under AB 1484, they will be transferred to the City for eventual disposition to a developer.

The Plan will propose retention and transfer to the City for future development approximately 55 parcels that make up a total of 17 future development sites in the following areas: Central District (five sites), Central City East (five sites), Coliseum (five sites) and Oak Knoll (one site); and one site split between both Central City East and Coliseum. Some of these parcels were transferred to the City and some remained with ORSA, but now all are subject to the Property Management Plan. These parcels include: sites that had exclusive negotiating agreements prior to the dissolution of redevelopment where the developer is still interested, including the Foothill-Seminary site that has been approved by the Oversight Board; sites where interested developers have been identified; and sites where requests for proposals or other methods are required to identify developers.

The City will be responsible for marketing the properties to potential developers through either a competitive process (such as a Request for Proposals, a Request for Qualifications, or a Notice of Development Opportunity) or a negotiated transaction. The Plan provides that the City will follow any applicable law governing the approval of any property disposition. The properties may be sold at their fair market value or their fair reuse value, based on the market conditions and the development climate at the time of disposition. The determination of fair market value will consider the property's highest and best use. The determination of fair reuse value will consider the proposed use of the property and the value of the property with the conditions, covenants and development costs associated with the negotiated disposition.

The City may also choose to dispose of properties by means other than a fee sale, such as a long-term ground lease. The Plan provides that any disposition of a property shall be governed by a negotiated disposition and development agreement or lease disposition and development agreement that will govern the terms of the disposition, the development of the property, and the use of the property following development. Any such agreement shall obligate the developer to develop and use the property consistent with the applicable redevelopment plan, its implementation plan, the City's General Plan and any applicable specific plans.

The Plan provides that, upon the sale of a property by the City to a developer, the City will share any net unrestricted proceeds from the sale or lease with each taxing entity in an amount proportionate to its share of property tax revenues. The calculation of net unrestricted proceeds

shall take into account the transaction costs incurred by the City in marketing the property and processing the sale or lease, as well as the costs incurred by the City, the former Redevelopment Agency, and ORSA in carrying or maintaining the property and in preparing and improving the site for development.

As with the other categories, many of these properties were acquired or improved using tax allocation bond proceeds. Under applicable law and bond covenants, the proceeds from the sale or lease of these properties will continue to be restricted to uses consistent with the bond covenants in the indenture, such as retiring the bonds or investing in other capital projects meeting a redevelopment purpose within the applicable redevelopment project area. For properties funded with tax-exempt bond proceeds, IRS regulations also restrict any revenue or sale proceeds to be used for another governmental purpose within two years. Therefore, proceeds restricted by law such as net revenue or sale proceeds, would not be available for distribution to taxing entities. See **Attachment B** for Bond Counsel Memoranda regarding recycled bond proceeds.

#### Properties for Immediate Sale

The properties discussed in this section of the Property Management Plan are proposed for sale by ORSA. Most are currently owned by ORSA, though the ones that are owned by the City will be transferred to ORSA for sale. The properties will be sold for fair market value at their highest and best use. ORSA will follow the City's rules and procedures for disposing of surplus properties. The Plan provides that net proceeds from the sales will be distributed as property tax to each taxing entity in an amount proportionate to each entity's share of property tax revenues pursuant to AB 1484.

There are approximately eight sites that will be proposed for immediate sale by ORSA. Some of these sites include parcels between 100 and 1,250 square feet that have little or minimal value. Other sites are either too narrow or land-locked remainder sites from earlier redevelopment projects. Staff will propose selling these sites to interested neighboring property owners where possible. The remaining parcels are small sites between 1,250 and 9,400 square feet and have modest market value. At least three of these parcels would be sold quickly and have funds distributed to the taxing entities, including: 1) Franklin 88 Garage, which the Agency bought for \$2,818,000 based on development costs but is worth considerably less based on net income; 2) 822 Washington, which is worth approximately \$600,000; and 3) 8<sup>th</sup> Street & Filbert Street, worth approximately \$130,000. These sites are proposed for sale as soon as the Property Management Plan is approved, with the sales proceeds becoming part of the funds available for distribution to the taxing entities. Several of the neighboring property owners have shown some interest and will be contacted again once the Plan is approved. These sales will be brought to ORSA and the Oversight Board for approval after the Property Management Plan is approved. However, it should be noted, that several other properties were acquired with tax allocation bond proceeds. Thus, under applicable law and bond covenants, the revenue produced by bond-funded facilities, as well as proceeds from any sale of these properties, will continue to be restricted to uses consistent with the bond covenants in the indenture, such as retiring the bonds

or investing in other capital projects meeting a redevelopment purpose within the applicable redevelopment project area. See **Attachment B** for Bond Counsel Memoranda regarding recycled bond proceeds.

### **COST SUMMARY/IMPLICATIONS**

There is no direct cost implication for ORSA or the taxing entities from the transfer of governmental use properties or properties to fulfill an enforceable obligation. But these transfers result in reductions to the assets held by ORSA which, in a few cases, could otherwise be sold and produce funds for distribution to the taxing entities. Again, most of these properties were bought or financed with bond funds and so regardless, there would be restrictions on the proceeds from any sale of the properties that were purchased with bond funds. In addition, several of the deals have terms that will result in little or no net revenue that could be distributed to the taxing entities. This includes: 1) the Seminary Point Project already approved by the Oversight Board, which requires a sales price of \$6,000 and \$150,000 in ORSA bond funds to pay for site remediation costs in order to make the project financially feasible; and 2) 1800 San Pablo, which requires that the sales price and a substantial amount of bond funds, \$6.4 million, be invested in public parking for the project, adjacent ORSA properties (Fox Theater and Oakland Ice Center) and other businesses in the area.

However, there will be substantial long-term positive fiscal benefits flowing to the taxing entities from the sites within the Future Development category, which will likely offset any immediate loss in revenue. For example, in the Seminary Point transaction, the sales price is based on the residual land value of \$6,000 with the seller contributing \$150,000 for environmental remediation. While this leaves little sales proceeds that could be split by the taxing entities, the fiscal benefits to the taxing entities from development of the site are substantial, including approximately \$85,372 per year in property taxes and \$320,625 per year in sales taxes. The development will also provide jobs and retail opportunities in an underserved East Oakland community.

Another example is 1800 San Pablo, planned for an approximately 120,000 square foot retail and entertainment project, for which the land sales price and approximately \$6.3 million in additional bond funds will be used by the City to purchase public parking in the development. While this leaves no revenue that could be split by the taxing entities, the fiscal benefits for the taxing entities are substantial, including approximately \$305,315 per year in property taxes and \$2.9 million per year in sales taxes. This project will also provide jobs and retail opportunities.

Finally, the taxing entities will receive direct financial benefits from the sale of 12 separate parcels at 5 different sites slated for immediate sale that were purchased with non-bond funds. The Plan provides that net proceeds from the sales will be distributed as property tax to each taxing entity in an amount proportionate to each entity's share of property tax revenues pursuant to AB 1484.



**ACTION REQUESTED**

Staff is requesting approval of the attached resolution and long-range property management plan.

Respectfully submitted,

/s/

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FRED BLACKWELL  
Assistant City Administrator

Reviewed by:  
Gregory Hunter, Neighborhood Investment Officer  
Office of Neighborhood Investment

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

**Attachment A:**  
**Oversight Board Resolution and Long-Range Property Management Plan (Exhibit A)**

**Attachment B:**  
**Bond Counsel Memoranda re: Recycled Bond Proceeds**

# OAKLAND OVERSIGHT BOARD

## RESOLUTION No. 2013-\_\_\_\_\_

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### **A RESOLUTION APPROVING A LONG-RANGE PROPERTY MANAGEMENT PLAN ADDRESSING THE DISPOSITION AND USE OF FORMER REDEVELOPMENT AGENCY PROPERTIES, AND AUTHORIZING THE DISPOSITION OF PROPERTY PURSUANT TO THE PLAN**

**WHEREAS**, Health and Safety Code Section 34191.5(b) requires a successor agency to prepare and submit for approval to the oversight board and the California Department of Finance a long-range property management plan within six months of receiving a finding of completion; and

**WHEREAS**, Health and Safety Code Section 34191.5(c) requires that the long-range property management plan include certain information and address the disposition and use of real property that was owned by the former redevelopment agency; and

**WHEREAS**, the Oakland Redevelopment Successor Agency ("ORSA") received its Finding of Completion under Health and Safety Code Section 34179.7 from the California Department of Finance on May 29, 2013; and

**WHEREAS**, ORSA has prepared and approved for submittal to the Oakland Oversight Board and the California Department of Finance a Long-Range Property Management Plan (the "Plan") that includes the required information and addresses the disposition and use of real property formerly owned by the Redevelopment Agency of the City of Oakland; and

**WHEREAS**, approval of the Plan will allow the City of Oakland to retain certain properties for governmental use pursuant to Health and Safety Code Section 34191.5(c)(2), all of which either have no market value and produce no revenue, or were acquired and/or improved using tax allocation bond proceeds and thus are subject to enforceable obligations in the form of bond covenants and/or federal tax laws restricting the use of revenue and sales proceeds to redevelopment purposes; and

**WHEREAS**, approval of the Plan will allow the City of Oakland to retain certain properties needed to fulfill existing enforceable obligations pursuant to Health and Safety Code Section 34191.5(c)(2), all of which were acquired and/or improved using tax allocation bond proceeds and thus are subject to enforceable obligations in the form of bond covenants and/or federal tax laws restricting the use of revenue and sales proceeds to redevelopment purposes; and

**WHEREAS**, approval of the Plan will allow the City of Oakland to receive and retain certain properties for future development pursuant to Health and Safety Code Section 34191.5 (c)(2), with the City sharing any net unrestricted proceeds from the sale or lease of such properties to developers with each taxing entity in an amount proportionate to the taxing entity's share of property tax revenues; and

**WHEREAS**, approval of the Plan will allow ORSA to proceed with the sale of various properties pursuant to Health and Safety Code Section 34191.5 (c)(2), with the net unrestricted proceeds from the sale to be distributed as property tax to each taxing entity in accordance with Health and Safety Code Section 34191(c)(2)(B) in an amount proportionate to the taxing entity's share of property tax revenues; and

**WHEREAS**, the Oakland Oversight Board has determined it is in the best interests of the affected taxing entities in Alameda County to proceed with disposition and use of former Redevelopment Agency properties pursuant to the Plan; now, therefore:

Based on the foregoing recitals and the documentation presented to the Oakland Oversight Board at a public meeting, the Oakland Oversight Board does resolve as follows:

**SECTION 1.** The Oakland Oversight Board hereby approves the Long-Range Property Management Plan in substantially the form attached to this Resolution as ***Exhibit A***.

**SECTION 2.** The Oakland Oversight Board finds and determines that the Long-Range Property Management Plan, the disposition and use of property pursuant to the Plan, and the provisions of the Plan pertaining to compensation and payments to the taxing entities of net unrestricted revenues and sales proceeds, will be of benefit to the taxing entities for the reasons set forth in the staff report accompanying this Resolution.

**SECTION 3.** The Oakland Oversight Board hereby approves the taxing entity compensation arrangements set forth in the Plan.

**SECTION 4.** The Oakland Oversight Board hereby approves the transmittal of the Plan to the California Department of Finance substantially in the form attached hereto as ***Exhibit A***, and upon approval of the Plan by the Department of Finance, authorizes ORSA to take such actions as necessary to implement the Plan.

**SECTION 5.** The Oakland Oversight Board hereby approves the disposition and transfer of those properties identified in the Plan as governmental use, those properties needed to fulfill enforceable obligations, and those properties planned for future development, to the City of Oakland in conformance with the Plan and Health and Safety Code Section 34191.5. The disposition of those properties designated in the

Plan for sale by ORSA shall be subject to the Board's future approval of the terms and conditions of any such sale.

ADOPTED, OAKLAND, CALIFORNIA, \_\_\_\_\_, 2013

**PASSED BY THE FOLLOWING VOTE:**

AYES- CARSON, GERHARD, LEVIN, ORTIZ, QUAN, SMITH, TUCKER

NOES-

ABSENT-

ABSTENTION-

ATTEST: \_\_\_\_\_  
SECRETARY, OAKLAND  
OVERSIGHT BOARD

**A RESOLUTION APPROVING A LONG-RANGE PROPERTY  
MANAGEMENT PLAN ADDRESSING THE DISPOSITION AND USE OF  
FORMER REDEVELOPMENT AGENCY PROPERTIES, AND  
AUTHORIZING THE DISPOSITION OF PROPERTY PURSUANT TO  
THE PLAN**

**EXHIBIT A**

**LONG-RANGE PROPERTY MANAGEMENT PLAN**

*(attached)*

## OAKLAND REDEVELOPMENT SUCCESSOR AGENCY

### LONG RANGE PROPERTY MANAGEMENT PLAN

Approved by ORSA Board: \_\_\_\_\_

Approved by Oakland Oversight Board: \_\_\_\_\_

Approved by California Department of Finance: \_\_\_\_\_

Per the revised legislation dissolving redevelopment agencies, Assembly Bill 1484 (“AB 1484”) enacted on June 27, 2012, successor agencies are given certain powers after they obtain a finding of completion from the California Department of Finance. Among them, successor agencies are required to prepare and submit a long-range property management plan addressing the disposition and use of real properties formerly owned by the dissolved redevelopment agency. AB 1484 provides that the long-range property management plan once approved will govern the future disposition and use of these properties and will supersede all other provisions in the law relating to the use or disposition of former redevelopment agency property.

The Oakland Redevelopment Successor Agency (“ORSA”) has prepared the following long-range property management plan (the “Property Management Plan” or “Plan”). The Property Management Plan divides the properties formerly owned by the Redevelopment Agency of the City of Oakland into four categories: 1) properties retained for **governmental use**; 2) properties retained to fulfill an **enforceable obligation**; 3) properties retained for **future development**; and 4) properties to be **sold** by ORSA.

Note that there are several properties formerly owned by the Redevelopment Agency that are not included in this Plan, including:

Seven properties that were deemed housing assets that were transferred to the City as housing successor, per Health and Safety Code Section 34176(a)(1). These transfers were approved by the OOB on July 16, 2012 (OOB Resolution No. 2012-07) and the California Department of Finance on August 31, 2012.

Nine parcels on the former Oakland Army Base that are the subject of a separate long-range property management plan that is pending approval as of the preparation of this Plan.

Eight parcels that were sold by the City to the Redevelopment Agency prior to dissolution, that were ordered returned to the City by the State Controller per Health and Safety Code Section 34167.5.

Nine street or park governmental use parcels that were transferred to the City to remain as City-owned public infrastructure. These transfers were approved by the Oakland Oversight Board, Resolution No. 2013-09 dated April 15, 2013, and are pending review by the California Department of Finance.

ORSA staff has prepared a detailed inventory and property descriptions for the other 39 properties (comprising 90 individual parcels) divided into the following four categories, see the attached Property Management Plan - Property List for details:

There are six properties in the category of **governmental use**. They include: a street right-of-way parcel, the Amtrak Station near the Oakland Coliseum, the entry to the 12<sup>th</sup> Street BART station, a right-of-way/open space parcel at Leona Creek in East Oakland, the Oakland Ice Center, and the City Center West Public Garage. Please note that several properties listed in other categories can also be considered governmental use properties, including the Fox Theater (listed as an enforceable obligation property, although it used as a public charter school and a cultural center), the UCOP Garage (listed as an enforceable obligation property, although it provides parking to governmental employees and the general public), the Telegraph Plaza Public Garage (listed as a future development site, although it provides parking to the general public) and the Franklin 88 Garage (listed as a sale property, although it provides parking to the general public).

There are five properties in the category of **properties needed to fulfill an enforceable obligation**. They include the parcels encumbered by the Uptown Lease Disposition and Development Agreement, the Sears Disposition and Development Agreement, the 17<sup>th</sup> Street Garage Disposition and Development Agreement, the Fox Theater Disposition and Development Agreement, and the UCOP Garage Purchase and Sale Agreement. These properties, along with eight of the Army Base parcels, were transferred to the City of Oakland to remain with the City as property with enforceable obligations already in place. The transfers of these properties were approved by the Oakland Oversight Board, Resolution No. 2013-06 dated March 18, 2013, and are pending review by the California Department of Finance.

There are 55 parcels clustered into 17 development sites in the category of **future development properties**. The Amtrak Station, included in the governmental use category, is also a potential future development site as well.

Finally, there are 16 parcels in the category of **sale properties**. They include both developable or otherwise useable sites with market value and small remainder sites that have little or no value.

The Plan includes all of the detailed information required for the properties under Health and Safety Code Section 34191.5(c).

# Long Range Property Management Plan

	Property	Address	Project Area	Property Description		Source of Funds*
				Parcel Number	Size SqFt	
A. PROPERTY HELD IN RETENTION FOR GOVERNMENT USE						
1	Sunshine Court	SUNSHINE COURT	Central City East	040-3319-025	3,010	TB
2	AMTRAK Station	73RD AVE	Coliseum	041-3901-007-03 041-3901-007-05	37,766	TB
3	13th Street BART Entry	1327 BROADWAY 12TH ST	Central District	002-0097-045 002-0099-004	19,378	N/A
4	Leona Creek Right-of-Way	Leona Creek Dr	Coliseum	041-4212-001	9,951	N/A
5	Oakland Ice Center	540 17TH STREET	Central District	008-0641-008-05	70,567	TEB
6	City Center West Public Garage	1260 M L KING JR WAY M L KING JR WAY	Central District	002-0027-006-03 002-0027-006-05	78,243	TB
	Area Subtotal - Property Held in Retention for Government Use				78,243	
B. PROPERTY HELD TO FULFILL AN ENFORCEABLE OBLIGATION						
1	Forest City-Uptown Residential	1911 TELEGRAPH AVENUE	Central District	008-0716-052 008-0716-054 008-0716-056	205,346	TEB-TB-O
2	Sears parcels	490 TOMAS L BERKELEY WAY 2016 TELEGRAPH	Central District	008-0649-009 008-0649-010	10,766	TEB-TB
3	Rotunda Garage remainder	524 16TH STREET	Central District	008-0620-009-03	6,697	TEB
4	Fox Theater	521 19TH STREET	Central District	008-0642-016	64,697	TEB
5	UCOP Garage	1111 FRANKLIN	Central District	002-0051-013-01	0	TEB
	Area Subtotal - Property Held to fulfill an Enforceable Obligation				287,506	
C. PROPERTY HELD IN RETENTION FOR FUTURE DEVELOPMENT						
1	1800 San Pablo Avenue	521 19TH STREET (1800 San Pablo)	Central District	008-0642-018	44,347	TEB-O
2	23rd & Valdez	2315 VALDEZ STREET 2330 WEBSTER STREET	Central District	008-0668-004 008-0668-009-07	62,066	TEB-TB
3	City Center Parcel T-5/6	11TH ST	Central District	002-0097-038 002-0097-039 002-0097-040	54,515	N/A
4	Uptown Parcel 4	1911 TELEGRAPH AVENUE	Central District	008-0716-058	45,121	TEB-TB-O
5	Telegraph Plaza Garage	2100 TELEGRAPH AVENUE	Central District	008-0648-016-03	72,398	TB



# Long Range Property Management Plan

	Property	Address	Project Area	Property Description		Source of Funds*
				Parcel Number	Size SqFt	
6	Foothill & Seminary	5859 FOOTHILL BLVD 2521 SEMINARY AVENUE 2529 SEMINARY AVENUE 5844 BANCROFT 5803 FOOTHILL BLVD 5805 FOOTHILL BLVD FOOTHILL BLVD 5833 FOOTHILL BLVD 5835 FOOTHILL BLVD 5847 FOOTHILL BLVD 5851 FOOTHILL BLVD	Central City East	038-3182-001 038-3182-002 038-3182-003 038-3182-005 038-3182-020 038-3182-021 038-3182-022 038-3182-023 038-3182-024 038-3182-025 038-3182-026	73,346	TB
7	73rd & Foothill	73rd AVE & FOOTHILL BLVD	Central City East	039-3291-020	53,143	TB
8	36th & Foothill	3614 Foothill Blvd. (36th & Foothill) 3600 FOOTHILL BLVD 3566 FOOTHILL BLVD 3550 Foothill Blvd (36th & Foothill)	Central City East	032-2084-050 032-2084-051 032-2115-037-01 032-2115-038-01	34,164	TB
9	10451 MacArthur	10451 MACARTHUR BLVD	Central City East	047-5576-007-3	23,000	TB
10	27th & Foothill	2777 FOOTHILL BLVD 2759 FOOTHILL BLVD	Central City East	025-0733-008-02 025-0733-088-03	22,581	TB
11	Former Melrose Ford site	3050 INTERNATIONAL BLVD DERBY STREET	Coliseum & Central City East	025-0719-007-01 025-0720-002-01	32,500	TB
12	66th & San Leandro	905 66TH AVE	Coliseum	041-4056-004-04	274,428	TB
13	Clara & Edes	9418 EDES AVE 606 CLARA ST	Coliseum	044-5014-005	26,311	TB
14	Hill Elmhurst	9409 International Blvd 9415 International Blvd 1361 95th Avenue 9423 International Blvd 9431 International Blvd 9437 International Blvd 95th Avenue	Coliseum	044-4967-002 044-4967-003 044-4967-004-02 044-4967-004-03 044-4967-005 044-4967-007-01 044-4967-009	28,802	TB
15	Fruitvale Transit Village Phase II	E. 12TH STREET E. 12TH STREET 3229 SAN LEANDRO STREET 3301 SAN LEANDRO STREET	Coliseum	033-2177-021 033-2197-019 033-2186-033-01 033-2187-033-01	173,579	TB

# Long Range Property Management Plan

	Property	Address	Project Area	Property Description		Source of Funds*
				Parcel Number	Size SqFt	
16	Coliseum City	796 66TH AVE 6775 (7001) Oakport Street 711 71st Avenue 7001 Snell Street 73RD AVENUE 728 73RD AVENUE 710 73RD AVENUE 633 HEGENBERGER RD 8000 SOUTH COLISEUM WAY 66TH AVE EDGEWATER DR EDGEWATER DR	Coliseum	041-3901-004 041-3902-021 041-4170-001-02 041-4170-005-03 041-4173-001-03 041-4173-002-02 041-4173-003-06 042-4328-001-16 042-4328-001-24 041-3901-008 041-3902-013-05 041-3902-013-06	1,504,670	TB-N/A
17	Oak Knoll	BARCELONA STREET	Oak Knoll	048-6870-002	205,337	O
	Area Subtotal - Property held in Retention for Future Development				2,730,308	
D. PROPERTY PROPOSED FOR SALE						
1	Franklin 88 Parking Garage	9TH ST	Central District	002-0101-001	13,406	O
2	822 Washington	822 WASHINGTON STREET	Central District	001-0201-010	7,580	N/A
3	8280 MacArthur	8280 MacArthur Blvd.	Central City East	043A-4644-026	6,720	TB
4	8296 MacArthur	8296 MACARTHUR BLVD	Central City East	043A-4644-028	6,000	TB
5	73rd & International	7318 INTERNATIONAL BLVD 73rd Ave	Coliseum	040-3317-032 040-3317-048-13	5,435	TB
6	8th & Filbert	8TH STREET	West Oakland	004-0007-001-01	9,385	N/A
7	1606 & 1608 Chestnut Street	1606 CHESTNUT STREET 1608 CHESTNUT STREET	Oak Center	005-0387-014 005-0387-015	3,018	N/A
8	Oak Center Remainder Parcels	1333 ADELINE STREET 14TH STREET MAGNOLIA STREET UNION STREET MARKET ST MYRTLE ST 14TH STREET	Oak Center	004-0035-003-02 004-0035-002-07 004-0035-001-02 004-0037-031-02 003-0049-001-12 005-0383-002-02 005-0383-014-03	3,654	N/A
	Area Subtotal - Property held for Sale				55,198	
36 Area Total All Sites					3,151,250	

\* Source of Funds: Taxable Bonds ("TB"), Tax Exempt Bonds ("TEB"), Tax Increment ("TI") & Other ("O").

## **A. Properties for Governmental Use**

The properties discussed in this section are proposed for continuation in governmental use pursuant to Health and Safety Code Section 34191.5(c)(2) . Under Sections 34191.5(c)(2) and 34181(a), they will be transferred to and/or retained by the City of Oakland for the City's governmental use.

All of the properties are currently in governmental use serving the governmental needs of the City. These include several public parking garages. These facilities provide parking to the general public, parking for City vehicles, and parking serving nearby City facilities. State law recognizes public parking as a governmental use -- see California Streets and Highways Code Section 32501: "The supplying of additional parking facilities and the performance of all undertakings incidental or advantageous thereto are public uses and purposes for which public money may be spent and private property acquired, and are governmental functions." In Oakland, the ownership and operation of public parking facilities has historically been a common governmental function of the City, and most of the structured parking facilities in downtown Oakland are government-owned. Of the 26 public parking structures currently operating in downtown Oakland, eight have been owned and operated by the City for years; four were owned by the Redevelopment Agency and have now been transferred to the City; and another two are owned by other governmental agencies, Alameda County and the California Department of Transportation. The City both operates garages around City-owned public buildings and around office, retail and entertainment locations in the downtown.

All of the revenue-producing properties, including the parking garages, were acquired and/or improved using tax allocation bond proceeds. Under applicable law and bond covenants, the revenue produced by bond-funded facilities, as well as proceeds from any sale of these properties, will continue to be restricted to uses consistent with the bond covenants in the indenture, such as retiring the bonds or investing in other capital projects meeting a redevelopment purpose within the applicable redevelopment project area. For properties funded with tax-exempt bond proceeds, IRS regulations would also require the revenues and proceeds to be used for another governmental purpose within two years. As such, restricted proceeds by law, such as net revenue from the facility or the proceeds from a sale, would not be available for redistribution to taxing entities.

## **A.1. Sunshine Court**

The Sunshine Court parcel (APN: 040-3319-025) is a privately maintained road established decades ago, which was never dedicated over to the City. As years passed and ownership of the properties exchanged hands, maintenance of the road was not properly conducted. Some properties entered into tax-default status and/or were neglected by their owners, while the residents whose sole form of ingress/egress via Sunshine Court suffered massive street damage, potholes, drainage issues, safety issues, etc. The Redevelopment Agency acquired the subject parcel and brought the remaining non-standard road as close to City standards as possible.

***(A) The date of the acquisition of the property and the value of the property at that time, and an estimate of the current value of the property.***

The subject parcel was acquired from a private owner for approximately \$10,000 (\$9934.39) in March 2008. The current value of the property is non-applicable, as the property now serves as a legal non-conforming City of Oakland street.

***(B) The purpose for which the property was acquired.***

The property was acquired so that the City could conduct repairs on Sunshine Court. Improvements were made and the convenience and safety of the residents has been improved.

***(C) Parcel data, including address, lot size, and current zoning in the former agency redevelopment plan or specific, community, or general plan.***

The parcel consists of approximately 3,010 square feet. There is no formal address listed other than 76<sup>th</sup> Avenue since it formerly consisted of improperly maintained private road before the former agency acquired and repaired the area. The surrounding area is zoned residential, and Sunshine Court is a residential street.

***(D) An estimate of the current value of the parcel including, if available, any appraisal information.***

The current value of the parcel is negligible since the parcel serves as a City street.

***(E) An estimate of any lease, rental, or any other revenues generated by the property, and a description of the contractual requirements for the disposition of those funds.***

The parcel serves the function of a City street. It generates no revenue. The properties were acquired using Central City East Tax Allocation Bond Series 2006A- (Taxable) Bonds Funds. Therefore, any revenue or disposition proceeds generated by the property are or would be restricted bond proceeds and could only be used for redevelopment purposes consistent with the bond covenants.

***(F) The history of environmental contamination, including designation as a brownfield site, any related environmental studies, and history of any remediation efforts.***

None.

***(G) A description of the property's potential for transit-oriented development and the advancement of the planning objectives of the successor agency.***

The parcels serve the function of a City street. It is not suitable for development.

***(H) A brief history of previous development proposals and activity, including the rental or lease of property.***

None. The parcels serve the function of a City street.

***(I) The use or disposition of the property.***

As a property currently used by the City as a City street, the property will be retained by the City for the City's governmental use.

## A.2. Amtrak Station

The two subject parcels were purchased from Union Pacific Railroad for the public purpose and benefit of providing Amtrak Capitol Corridor passengers a new platform rail stop with approximately 35 off-street parking stalls immediately to the east of the Oakland Alameda County Coliseum Complex.

*(A) The date of the acquisition of the property and the value of the property at that time, and an estimate of the current value of the property.*

Address	Parcel No.	Purchase Date	Seller	Price	Appraiser	Appraisal Date	Appraised Value
73rd Avenue (Amtrak parking)	041-3901-007-03	9-Jul-2009	City	\$500,000	N/A	N/A	N/A
73rd Avenue (Amtrak parking)	041-3901-007-05						

*(B) The purpose for which the property was acquired.*

The City entered into a pre-2005 agreement with the Capitol Corridor Joint Powers Authority (AMTRAK) to provide and maintain the 73<sup>rd</sup> Avenue properties as public parking serving daily train passengers along the Capitol Corridor line.

*(C) Parcel data, including address, lot size, and current zoning in the former agency redevelopment plan or specific, community, or general plan.*

Address	Parcel No.	Lot Size (Acres)	Zoning
73rd Avenue (Amtrak parking)	041-3901-007-03	0.06	CR-1
73rd Avenue (Amtrak parking)	041-3901-007-05	0.77	CR-1

The intent of the CR-1 zone is to maintain, support and create areas of the City that serve as region-drawing centers of activities.

***(D) An estimate of the current value of the parcel including, if available, any appraisal information.***

The following table shows the purchase price for the parcels. There have not been any recent appraisals of the properties.

Address	Parcel No.	Purchase Date	Seller	Price	Appraiser	Appraisal Date	Appraised Value
73rd Avenue (Amtrak parking)	041-3901-007-03	9-Jul-2009	City	\$500,000	N/A	N/A	N/A
73rd Avenue (Amtrak parking)	041-3901-007-05						

***(E) An estimate of any lease, rental, or any other revenues generated by the property, and a description of the contractual requirements for the disposition of those funds.***

In addition to providing approximately 35 off-street parking stalls to Capitol Corridor Amtrak train passengers on a daily basis free of charge, the parcels recently have been leased on a seasonal and limited basis to Classic Parking which generates approximately \$8,000 per year in revenue from overflow event parking of approximately 10-12 Coliseum events. In addition, the site incurs maintenance costs associated with monthly cleaning.

***(F) The history of environmental contamination, including designation as a brownfield site, any related environmental studies, and history of any remediation efforts.***

The table below shows the status of environmental studies and remediation for the parcels:

Address	Parcel No.	Phase 1 Consultant	Phase 1 Date	Phase 2 Consultant	Phase 2 Date	Remediation	Comments
73rd Avenue (Amtrak parking)	041-3901-007-03	Tetra Tech, Inc.	Dec 1998	Tetra Tech, Inc.	June 2000	Remediation Completion Report by Ninyo & Moore, Inc., July 2005	Site remed. conducted in 2004, report submitted to DTSC in 2005
73rd Avenue (Amtrak parking)	041-3901-007-05	Tetra Tech, Inc.	Dec 1998	Tetra Tech, Inc.	June 2000	Remediation Completion Report by Ninyo & Moore, Inc., July 2005	Same as above

***(G) A description of the property's potential for transit-oriented development and the advancement of the planning objectives of the successor agency.***

The property is contractually obligated as Amtrak parking. Any development of this property will require replacement parking be provided. The area surrounding the Oakland Airport/Coliseum BART station and this property is perhaps the most suitable site for transit-oriented development in the San Francisco Bay Area, thanks to the availability of multiple modes of transport and the underdevelopment of much of the land in the area. A new light rail system currently under construction will soon make a direct connection between Coliseum BART station and Oakland International Airport. The area is served by numerous Alameda County Transit bus lines in addition to BART. The area is also accessed via Hegenberger Road and 66<sup>th</sup> Avenue exits from Interstate I-880, as well as from the major arterials of 73<sup>rd</sup> Avenue and San Leandro Street. The City has long partnered with BART towards the development of Coliseum Transit Village (CTV) mixed-use TOD project at the Coliseum BART Station and the City was awarded an \$8.5 million grant under the state's Prop 1C Transit Oriented Development Program. The CTV plaza improvements were completed in 2012.

***(H) A brief history of previous development proposals and activity, including the rental or lease of properties.***

The parcels provide approximately 35 free daily surface parking stalls for Capitol Corridor Amtrak passengers that utilize the rail service and are also leased on a limited basis to Classic Parking which generates approximately \$8,000 a season for overflow event parking.

The City has provided infrastructure investments in the area including street improvements on 73<sup>rd</sup> Avenue, 66<sup>th</sup> Avenue, S. Hegenberger Road, San Leandro Street including utility underground improvements as well as support for the Airport Connector project linking the Coliseum BART station to Oakland International Airport via light rail.

***(I) The use or disposition of the property.***

As a property currently used by the City as a facility for serving the parking needs of the Capitol Corridor Joint Powers Authority and the JPA's AMTRAK rail passengers, the property will be retained by the City for this governmental use.



### **A.3. 13<sup>th</sup> Street BART Entry**

These are two parcels, 1327 Broadway and 12<sup>th</sup> Street, created from the 13<sup>th</sup> Street right-of-way as part of the construction of the 12<sup>th</sup> Street BART Station and the first phases of the City Center Project. As part of the creation of the super block – from four blocks bounded by between 12<sup>th</sup> Street, 14<sup>th</sup> Street, Broadway and Clay Street – common areas were created which the Redevelopment Agency retained ownership. There are easements that also transfer maintenance liability to several neighboring property owners. These are not developable parcels.

***(A) The date of the acquisition of the property and the value of the property at that time, and an estimate of the current value of the property.***

The sites were acquired in the early 1970s. The sites were created from vacated right-of-way and probably had no value. Normally vacation of right-of-way does not include a purchase price, although there can be utility relocation costs and transfer costs involved in the process. Since the properties are not considered buildable and have easements on them, they have little or no value.

***(B) The purpose for which the property was acquired.***

The Agency used the 13th Street and Washington Street right-of-way to create the City Center Super Block. Most of the right-of-way became part of the 10 sites that were created for development projects, including: 1333 Broadway (completed 1974); 1221 Broadway (completed 1976); 475 14<sup>th</sup> Street (completed 1983); 505 14<sup>th</sup> Street (completed 1986); 499 14<sup>th</sup> Street and three parcels at 550 12<sup>th</sup> Street (completed 1988); 1300 Clay Street (completed 1990); and 1200 Clay Street (completed 1992) . But two parcels that provide access to the below grade entry to BART remained in Agency ownership.

***(C) Parcel data, including address, lot size, and current zoning in the former agency redevelopment plan or specific, community, or general plan.***

The two parcels at 1327 Broadway (APN 002-0097-045) and (no number) 12<sup>th</sup> Street (APN 002-0099-004) total 19,328 square feet. The General Plan designation for this site is Central Business District and the zoning is CBD-P Central Business District Pedestrian Retail Commercial Zone. The intent of the CBD-P zone is to create, maintain, and enhance areas of the Central Business District for ground-level, pedestrian-oriented, active storefront uses. Upper story spaces are intended to be available for a wide range of office and residential activities. The redevelopment plan for the area reinforces the General Plan and designates the area as the City Center Activity Area. The City Center Project has finished all activity on the super block and these phases of the project are completed. These two remaining sites provide pedestrian access to all of the sites on the super block and light and air access to the neighboring buildings at 1221 and 1333 Broadway.

***(D) An estimate of the current value of the parcel including, if available, any appraisal information.***

Not applicable. The sites are not developable and have pedestrian access easements for the neighboring buildings. They have little or no value, but potential liabilities.

***(E) An estimate of any lease, rental, or any other revenues generated by the property, and a description of the contractual requirements for the disposition of those funds.***

Not applicable. There is an easement with neighboring building owners. There is no rent, but the neighboring property owners are liable for the sites including all maintenance.

***(F) The history of environmental contamination, including designation as a brownfield site, any related environmental studies, and history of any remediation efforts.***

The site is in an area of Oakland that has been developed for over a century. The area generally has low level contamination of soil and ground water. There are records for some of the surrounding parcels, but not these. The site is currently sealed off with hardscape, which is typically all that is required for this type of contamination. Future construction below grade may require additional testing and/or hazardous material abatement/disposal.

***(G) A description of the property's potential for transit-oriented development and the advancement of the planning objectives of the successor agency.***

The site is immediately adjacent to the 12<sup>th</sup> Street BART Station and the 14<sup>th</sup> & Broadway Transit Hub. But it is not developable and therefore has no potential for transit-oriented development or the advancement of the planning objectives of the successor agency. The site enhances the transit access for neighboring office and retail sites.

***(H) A brief history of previous development proposals and activity, including the rental or lease of property.***

The site is part of the seven phases of the City Center Project completed between 1974 and 1992, see the list of sites in (B) above. The development of the super block is considered complete.

***(I) The use or disposition of the property.***

As an entryway to a BART station, the property will be retained by the City for the City's governmental use.

#### **A.4. Leona Creek Right Of Way**

The subject parcel was originally owned by the City as a creek right of way parcel along the Lion Creek flood zone. It was later transferred to the Redevelopment Agency during the later subsequent Lion Creek Housing Development master project.

***(A) The date of the acquisition of the property and the value of the property at that time, and an estimate of the current value of the property.***

The creek right of way parcel was originally owned by the City and was later transferred to the Redevelopment Agency for a nominal value during the reconstruction of the former Coliseum Gardens Housing Project into the Lion Creek Crossing Housing Development master plan. It has no current market value.

***(B) The purpose for which the property was acquired.***

The parcel along Leona Creek Drive is located within the larger Oakland Housing Authority Lion Creek Crossing's multi-family affordable housing development. The Leona Creek Drive parcel is used exclusively as a creek right of way easement serving Lion Creek tidal riparian waterway.

***(C) Parcel data, including address, lot size, and current zoning in the former agency redevelopment plan or specific, community, or general plan.***

Address	Parcel No.	Lot Size (sf)	Zoning
Lion Creek Drive	041-4212-001	9,951	OS (NP)

The OS (NP) Open Space (Neighborhood Park) zone is designated for creeks, parks and open space properties within the City.

The intent of the CR-1 zone is to maintain, support and create areas of the City that serve as region-drawing centers of activities.

***(D) An estimate of the current value of the parcel including, if available, any appraisal information.***

The creek right of way parcel was originally owned by the City and was later transferred to the Redevelopment Agency for a nominal value during the reconstruction of the former Coliseum Gardens Housing Project into the Lion Creek Crossing Housing Development master plan. It has no current market value.

***(E) An estimate of any lease, rental, or any other revenues generated by the property, and a description of the contractual requirements for the disposition of those funds.***

The parcel along Leona Creek Drive is exclusively used as a governmental creek right of way easement and as such is a non-income generating parcel.

***(F) The history of environmental contamination, including designation as a brownfield site, any related environmental studies, and history of any remediation efforts.***

The table below shows the status of environmental studies and remediation for the parcels:

Address	Parcel No.	Phase 1 Consultant	Phase 1 Date	Phase 2 Consultant	Phase 2 Date	Remediation	Comments
Leona Creek Drive	041-4212-001	None		None		No	

***(G) A description of the property's potential for transit-oriented development and the advancement of the planning objectives of the successor agency.***

The creek right of way parcel was originally owned by the City and was later transferred to the Redevelopment Agency for a nominal value during the reconstruction of the former Coliseum Gardens Housing Project into the Lion Creek Crossing Housing Development master plan. The Redevelopment Agency entered into an Owner Participation Agreement with the Oakland Housing Authority who was awarded a Federal Housing Urban Development Hope VI grant for \$35 million towards the master development of Lion Creek Crossing which now features over 400 units of family affordable rental units and contributed approximately \$4.5 million towards infrastructure improvements including new streets, sidewalks, reconfigured park and creek restoration. However, as a governmental creek right of way easement, the parcel itself is not suited for development.

***(H) A brief history of previous development proposals and activity, including the rental or lease of properties.***

Since the parcel serves as a governmental creek right of way easement, the property is not suited for development and shall remain as such.

***(I) The use or disposition of the property.***

As a property currently used exclusively used as a governmental creek right of way easement, the property will be retained by the City for the City's governmental use.

## **A.5. Oakland Ice Center**

The Oakland Ice Center (“OIC”) (APN: 002-0096-004) is located at 519 18th Street in the Uptown Activity Area of the Central District Redevelopment Project Area. The OIC is a recreational facility built in 1997. As part of the Uptown Retail Entertainment District, the Redevelopment Agency provided financing for development of the Center. But the project could not support the debt required to build it, and so the Redevelopment Agency took over ownership and operation of the facility in 1997.

***(A) The date of the acquisition of the property and the value of the property at that time, and an estimate of the current value of the property.***

The OIC site, prior to its redevelopment, was purchased as a vacant lot on November 19, 1991, as part of a purchase of three parcels which included the Rotunda Building and another surface lot for a total price of \$1,850,000. The prorated value of all of the land purchased together was \$13.13 per square foot, giving the 70,567 square foot site a value of \$926,545 at the time of purchase. Originally, the vacant parcel was a surface parking lot serving the Rotunda Building.

***(B) The purpose for which the property was acquired.***

The undeveloped property was acquired as part of the Rotunda Building purchase, which included the historic building and another adjacent surface lot. The property was acquired for future development.

***(C) Parcel data, including address, lot size, and current zoning in the former agency redevelopment plan or specific, community, or general plan.***

The OIC (APN: 002-0096-004) is located at 519 18th Street in the Uptown Activity Area of the Central District Redevelopment Project Area. The 70,567 square-foot property occupies the majority of the block bounded by 18th and 17th Streets, and San Pablo and Telegraph Avenues. The OIC is a three-level steel and concrete building constructed in 1995-1996, which includes an Olympic-sized (200' x 100') ice rink, a National Hockey League-sized (200' x 85') ice rink, an 1,123 square-foot pro shop, a 647 square-foot snack bar and vending area, and seating for 1,300 spectators.

The General Plan designation is Central Business District and the Zoning is CBD-C Central Business District General Commercial Zone. The intent of the CBD-C zone is to create, maintain and enhance areas of the Central Business District appropriate for a wide range of ground-floor office and other commercial activities. Upper-story spaces are intended to be available for a wide range of residential, office or other commercial activities. Most retail, office and residential uses are allowed up to a Floor Area Ratio of 20.0 or a residential density of one unit per 90 square feet of land. The redevelopment plan for the area reinforces the General Plan and designates the area as the Uptown Activity Area.

***(D) An estimate of the current value of the parcel including, if available, any appraisal information.***

There is no appraisal estimating the current value of the property. However, the OIC has limited market value based on the net revenue. The current operations require all of the revenue to maintain the operations and provide capital improvements to the facility. Short term capital improvements being planned include replacing the special rubber floors that safely allow customers in both shoes and skates to safely move to and from the ice and long term capital plans include replacing the cooling system.

***(E) An estimate of any lease, rental, or any other revenues generated by the property, and a description of the contractual requirements for the disposition of those funds.***

The OIC is operated and managed by San Jose Arena Management (“SJAM”), pursuant to a five-year Management/Operations Agreement with the City that was executed on December 20, 2010. As compensation under the terms of the agreement, SJAM receives an equal 50% of net revenue terminating at a net total of \$450,000. Every dollar of net revenue commencing with \$450,001 from all operations is divided 65% to SJAM and 35% to the City. For FY 2011/12, the City’s share of revenues were \$333,240 of which \$114,216 was expended on capital repairs made to the aging facility, and \$120,944 was spent to cover debt service payments for solar panels that were installed on the roof of the facility in 2006 (the debt for the solar panels will be retired in 2020). After these payments, the City received net revenues of \$98,080, which has been set aside to cover additional necessary capital improvements at the OIC to be undertaken in 2013, included new bathrooms and renovated locker rooms.

The City has also executed two leases with SJAM for the snack bar and pro shop. SJAM pays monthly full service rent in the amount of 1.50 per square foot for the pro shop, for a total of \$1,684.50, and \$1.50 per square foot for the snack bar (including vending machines selling food and drink products which may be located outside the snack bar location) for a total of \$970.50. These proceeds are partially applied toward paying the facility’s annual contribution to the Downtown Oakland Business Improvement District in the amount of \$21,515.06.

Since the property was completely acquired and developed using tax-exempt tax allocation bond proceeds (100% Central District 1989 TE Bonds), any revenue or disposition proceeds generated by the property are or would be restricted bond proceeds and may only be used for redevelopment purposes consistent with the bond covenants and federal tax laws.

***(F) The history of environmental contamination, including designation as a brownfield site, any related environmental studies, and history of any remediation efforts.***

Construction of the OIC entailed soil excavation and off-site disposal. The following environmental site assessments were prepared for the site prior and during the construction of the OIC:

Date	Author	Title	Details
January 9, 1991	Woodward-Clyde Consultants (WCC)	Oakland/East Bay Galleria Project, Phase 1A Environmental Site Assessment, Preliminary Review of Background Data for Site and Parcels, Interim, <i>includes subject property</i>	ESA Phase 1
September 1991	WCC	Oakland/East Bay Galleria Project, Phase 2 Environmental Site Assessment Report, <i>includes subject property</i>	ESA Phase 2
January 17, 1995	Cambria Environmental Technology, Inc.	Environmental Site Assessment (ESA), 540 17 <sup>th</sup> and 540-550 18 <sup>th</sup> Street, Oakland, CA	ESA Phase 1 and 2
April 28, 1995	Uribe & Associates	Report of Site Assessment Activities, Ice Ventures Project Site, San Pablo Avenue and Seventeenth Street, Oakland, California	Evaluation of existing soil conditions on site – Review of existing reports and 6 soil borings.
July 28, 1995	Uribe & Associates	Report of Site Assessment Activities, Ice Ventures Project Site, San Pablo Avenue and Seventeenth Street, Oakland, California	Observe excavation activities

During excavation of the site for the development of the OIC, the developer unearthed a buried drum containing a light oil, possible hydrolic fluid, three wells and discolored soil. The drum was disposed of as part of the site construction debris due to low levels of hydrocarbons and a lack of other contaminants. The wells, which were used for irrigation or industrial purposed, were destroyed in accordance with Alameda County Flood Control District Guidelines for well abandonment. An analysis of the discolored soil indicated the presence of hydrocarbons, and approximately 100 cubic yards of soil were disposed of at the BFI-Livermore landfill. At the end of the excavation Uribe & Associates concluded that the environmental concerns identified were resolved with no outstanding potential for impact to the project. Except for the excavation of the contaminated soil, no evidence of significant contamination of the excavated materials were found.

The refrigeration system used in the OIC is a direct refrigeration system that uses Freon R-22, a common refrigerant that is being phased out because of its contributing effect to greenhouse gases. R-22 has low ozone depletion potential and it is a powerful greenhouse gas with a global warming potential. Beginning January 1, 2020, the Montreal Protocol requires the U.S. to reduce its consumption of R-22 below the U.S. baseline. Refrigerant that has been recovered and recycled/reclaimed will be allowed beyond 2020 to service existing systems, but chemical manufacturers will no longer be able to produce R-22 to service existing air conditioners and heat pumps. Since the refrigerant is being phased out, it is anticipated that the OIC will eventually require a new indirect refrigeration system compatible with modern standards.

***(G) A description of the property's potential for transit-oriented development and the advancement of the planning objectives of the successor agency.***

Located west of the Uptown Transit Center, the site is served by both Bay Area Rapid Transit (BART 12<sup>th</sup> Street – City Center and 19<sup>th</sup> Street Stations) and Alameda/Contra Costa

(AC) Transit. BART routes that serve the Property area include the Richmond/Daly City-Millbrae, Fremont/Richmond, and Pittsburg/Bay Point-San Francisco Airport/Millbrae lines. AC Transit routes that serve the area include the 1, 1R, 11, 12, 18, 51A, 58L, 72, 72M, 72R, 800, 802, 805, 851, and NL lines.

There are no plans to redevelop the property. As a redeveloped and operating facility, the property is not suitable for further redevelopment.

***(H) A brief history of previous development proposals and activity, including the rental or lease of property.***

On April 28, 1995, the Redevelopment Agency entered into a Disposition and Development Agreement (“DDA”) with a developer, for the construction of the OIC. The Agency subsequently entered into a long-term ground lease with the developer and extended an \$11,000,000 loan to develop and construct the facility. The OIC began limited operations in September 1995 as an open air ice rink and became fully operational after total completion of construction in March 1996. In June 1996, the developer defaulted on the Agency loan, and title to the facility was transferred to the Agency on May 2, 1997. The OIC is managed and operated by SJAM.

***(I) The use or disposition of the property.***

As a property currently used by the City as a City recreational facility, the property will be retained by the City for the City’s governmental use. The current operations of the OIC include free use of the facility by at least 1,000 students from the Oakland Unified School District each year. The OUSD use includes both one-time use and physical education programs/repetitive uses.



## **A.6. City Center West Public Parking Garage**

The City Center Garage West (“CCGW”) is located on the east side of the Martin Luther King Jr. Way, stretching to the west side of Jefferson Street, bounded by 11<sup>th</sup> and 12<sup>th</sup> Street in the Central District Redevelopment Project Area in downtown Oakland.

### ***(A) The date of the acquisition of the property and the value of the property at that time, and an estimate of the current value of the property.***

On May 8, 1991, the City entered into a loan agreement with City Center Garage West Associates, a joint venture comprised of Bramalea Pacific, Inc. and the Redevelopment Agency, to provide construction and permanent financing in an amount of \$22 million for the development of CCGW. The development of the garage was a key component of the City Center Project which encompasses a 12-block area in downtown Oakland. In 1995, the joint venture defaulted on the loan, and on September 30, 1995, the City took title to the garage instead of initiating foreclosure proceedings. On April 9, 1996, the City, pursuant to Ordinance No.11342 C.M.S., transferred ownership of CCGW to the Redevelopment Agency. As consideration for the transfer, the Agency, pursuant to Resolution No. 96-16 C.M.S., assumed responsibility for debt service payments on the loan, which was fully repaid in Fiscal Year 2008-09.

- Estimates of current market value: Income approach:  $(665,000 \text{ NOI} / .07 \text{ Cap Rate}) = \$9.5 \text{ million}$
- Replacement cost approach  $(1,461 \text{ spaces} \times \$35,000) = \$51 \text{ million}$

### ***(B) The purpose for which the property was acquired.***

The garage was acquired by the Redevelopment Agency to assume debt service payments on a loan of \$22 million that was made by the City to City Center Garage West Associates for the development of the facility. The garage was constructed to provide parking to several adjacent parcels that are part of the City Center Project. As a result, there are currently long-term parking licenses for 1180 spaces out of 1461 total spaces to serve those developed properties. The City also uses the facility to park most City-owned fleet vehicles (currently 226 vehicles) and provides parking for City employees who are required to use their cars for work (74 monthly passes). The garage also provides parking for the adjacent Ronald V. Dellums Federal Building, including employee (96 monthly passes) and visitor (monthly average of 27 juror validations provided by Federal Courts); and provides public parking to visitors at the nearby City, Federal and State Office Building.

### ***(C) Parcel data, including address, lot size, and current zoning in the former agency redevelopment plan or specific, community, or general plan.***

The property address is 1260 Martin Luther King Jr. Way (APNs: 002-0027-006-03 and 002-0027-006-05). The parcel measures approximately 1.79 acres. CCGW provides 1,461 parking spaces within a 6-story parking structure, of which 1,180 are subject to long-term parking licenses at prevailing market rents. The garage also includes three retail spaces, measuring 980

square feet, 1,818 square feet and 1,844 square feet respectively. The garage was developed between 1991 and 1993.

The General Plan designation is Central Business District and the zoning is CBD-C Central Business District General Commercial Zone. The intent of the CBD-C zone is to create, maintain, and enhance areas of the Central Business District appropriate for a wide range of ground-floor office and other commercial activities. Upper-story spaces are intended to be available for a wide range of residential and office or other commercial activities. The redevelopment plan for the area reinforces the General Plan and designates the area as the Uptown Activity Area.

***(D) An estimate of the current value of the parcel including, if available, any appraisal information.***

There is no appraisal estimating the current value of the property. However, the value has been estimated

Income approach:  $(665,000 \text{ NOI} / .07 \text{ Cap Rate}) = \$9.5 \text{ million}$

Replacement cost approach  $(1,461 \text{ spaces} \times \$35,000) = \$51 \text{ million}$

***(E) An estimate of any lease, rental, or any other revenues generated by the property, and a description of the contractual requirements for the disposition of those funds.***

The Redevelopment Agency entered into a Professional Services Agreement with CMA Asset Management, Inc. ("CMA") on May 21, 1998, for the operation and management of the garage. The term of the lease was for one year, with an option to continue with a series of automatically renewing one-year terms. Compensation for this services agreement is \$1,000 paid to CMA monthly. The garage generated net revenues in the amount of \$665,000 for FY 2011/12. One of the three available retail suites is not occupied at this time. The remaining two spaces generate annual net revenues of \$24,277. Net revenues from the garage and the retail tenants are placed in the City's parking fund and used to cover staff and capital improvement costs associated with the facility.

Since the property was completely financed using tax allocation bond proceeds (100% Central District 2009 T Bonds), any revenue or disposition proceeds generated by the property are restricted bond proceeds and may only be used for redevelopment purposes consistent with the bond covenants.

***(F) The history of environmental contamination, including designation as a brownfield site, any related environmental studies, and history of any remediation efforts.***

During construction of the garage during October of 1991 and May of 1993, there was significant remediation of soil and groundwater at the site.

***(G) A description of the property's potential for transit-oriented development and the advancement of the planning objectives of the successor agency.***

CCGW is served by both Bay Area Rapid Transit (BART 12<sup>th</sup> Street – City Center Stations) and Alameda/Contra Costa (AC) Transit. Since the garage is an existing facility, it is not available for transit-oriented development

***(H) A brief history of previous development proposals and activity, including the rental or lease of property.***

On May 8, 1991, the City entered into a loan agreement with City Center Garage West Associates, a joint venture comprised of Bramalea Pacific, Inc. and the Redevelopment Agency, to provide construction and permanent financing in an amount of \$22 million for the development of CCGW. In 1995, the joint venture defaulted on the loan, and on September 30, 1995, the City took title to the garage instead of initiating foreclosure proceedings. On April 9, 1996, the City, pursuant to Ordinance No.11342 C.M.S., transferred ownership of CCGW to the Redevelopment Agency. As consideration for the transfer, the Agency, pursuant to Resolution No. 96-16 C.M.S., assumed responsibility for debt service payments on the loan, which was fully repaid in Fiscal Year 2008-09. The Redevelopment Agency transferred the property to the City in 2012.

***(I) The use or disposition of the property.***

As a property currently used by the City as a City-facility for public parking, the parking of City fleet vehicles, and parking reserved for City employees per labor agreements, the property will be retained by the City for the City's governmental use.

## **B. Properties Needed to Fulfill Enforceable Obligations**

The properties discussed in this section are proposed for retention to fulfill existing enforceable obligations pursuant to Health and Safety Code Section 34191.5(c)(2). All of these properties are currently owned by the City of Oakland, and will be retained by the City to fulfill enforceable obligations. All of the enforceable obligations are in the form of recorded encumbrances that are covenants running with the land significantly restricting the possible uses and disposition of the properties. The enforceable obligations that encumber each of these properties are listed below, and are further discussed in the inventory:

- Forest City -- Uptown Residential.
  - Amended and Restated Lease Disposition and Development Agreement with Forest City entity
  - Ground Lease to Forest City entity
  - Option to Purchase by Forest City entity
- Sears -- Thomas L Berkley Way (20th St) and Telegraph Avenue site.
  - Lease Disposition and Development Agreement with Sears
  - Option to Purchase by Sears
- Rotunda Garage -- 16th Street Remainder Site.
  - Disposition and Development Agreement with Rotunda Partners LP
  - Ground Lease to Rotunda Partners LP
  - Option to Purchase by Rotunda Partners LP
  - Access Easements to Rotunda Partners LP
- Fox Theater.
  - Disposition and Development Agreement with Fox Theater Landlord, LLC
  - Ground Lease with Fox Theater Landlord, LLC
- UCOP Garage.
  - Purchase and Sale Agreement with SKS Broadway

Note that the properties comprising the former Oakland Army Base are the subject of a separate long-range property management plan.

All of these properties were acquired and/or improved using tax allocation bond proceeds. Under applicable law and bond covenants, the revenue produced by bond-funded facilities, as well as proceeds from any sale of these properties, will continue to be restricted to uses consistent with the bond covenants in the indenture, such as retiring the bonds or investing in other capital projects meeting a redevelopment purpose within the applicable redevelopment project area. For properties funded with tax-exempt bond proceeds, IRS regulations would also require the revenues and proceeds to be used for another governmental purpose within two years. As such, restricted proceeds by law, such as net revenue from the facility or the proceeds from a sale, would not be available for redistribution to taxing entities.

## **B.1. Forest City - Uptown Residential**

Formerly 1911 Telegraph, the three parcels of 500 William Street (APN 008-0716-056), 600 William Street (APN 008-0716-052) and 601 William Street (APN 008-0716-054) are located in an area generally bounded by 20<sup>th</sup> Street, Telegraph Avenue, 19<sup>th</sup> Street, and San Pablo Avenue in downtown Oakland. The properties are subject to a 66-year ground lease between the City, the Redevelopment Agency, and Uptown Housing Partners, LP (the “Developer”) for the purpose of developing and operating a residential project that was completed in December of 2009.

The mixed-use development located on the properties, the “Uptown Apartments”, consists of 665 units of mixed-income rental housing and 9,000 square feet of neighborhood-serving retail (“Project”).

The Project was a public-private partnership between the Agency, the City, and the Developer. The Developer is an affiliated entity of Forest City Residential West, Inc. The Lease Disposition and Development Agreement and associated Ground Lease for the development of the Properties were executed on October 24, 2005.

### ***(A) The date of the acquisition of the property and the value of the property at that time, and an estimate of the current value of the property.***

Since the 1970’s the Redevelopment Agency began to acquire the properties in a two-block area of the Uptown Activity Area in the Central District. By October of 2005, the Agency and the Developer acquired a total of 41 parcels and reconfigured them into four smaller blocks for development purposes. Three of these four new parcels make up the properties. Portions of the parcels also became public right of ways. The Agency spent a total of \$13.4 million to acquire the properties. Based on current sales in the area, the land, if undeveloped, would be worth approximately \$18.5 million based on a price of \$90/square foot.

A total of \$935,174.41 was paid for relocation costs to residential and business owners.

The properties were transferred to the City by the Redevelopment Agency on January 31, 2012, pursuant to a Purchase and Sale Agreement between the City and the Redevelopment Agency entered into on March 3, 2011.

The table below illustrates the purchase price that was paid by the Agency for the individual parcels over time.

**Uptown Project (Block 643 and 644, Parcel 1-3)**

APN	Previous Owner	Total Area	Area in Parcel	Purchase Amount in Contract	Purchase Amount in Parcel	Relocation Costs
<i>600 William Street (Currently APN 008-0716-052)</i>						
008-0644-009-00*		5,606	733	Part of APN 008-0644-002	\$21,471.53	
008-0644-010-00			3,080	Part of APN 008-0644-002	\$90,189.46	
008-0644-011-00			2,200	Part of APN 008-0644-002	\$64,421.04	
008-0644-012-00			2,640	Part of APN 008-0644-002	\$77,305.25	
008-0644-013-00			2,640	\$195,765.33	\$195,765.33	\$144,420.00
008-0644-014-00			2,640	\$35,660.00	\$35,660.00	\$0.00
008-0644-015-00	Forest City		5,280	Developer-owned	\$0.00	\$0.00
008-0644-016-00	Forest City		2,640	Developer-owned	\$0.00	\$0.00
008-0644-017-00	Forest City		2,640	Developer-owned	\$0.00	
008-0644-018-00			2,640	\$88,011.00	\$48,006.00	
008-0644-019-00			2,200	Part of APN 008-0644-018	\$40,005.00	
008-0644-020-00	Feldstein		2,200	\$1,956,170.00	\$328,861.80	
008-0644-021-00	Feldstein		5,263	Part of APN 008-0644-020	\$786,727.12	\$101,390.88
008-0644-022-00			2,874	\$330,000.00	\$330,000.00	
008-0644-023-00	Schwyhart		4,837	\$625,000.00	\$625,000.00	\$5,000.00
008-0644-024-00			1,970	\$170,000.00	\$170,000.00	\$101,542.00
008-0644-031-00			1,700	\$200,000.00	\$92,302.01	
008-0644-032-00			1,984	Part of APN 008-0644-031	\$107,697.99	
008-0644-033-00			1,983	\$300,000.00	\$300,000.00	\$66,373.13
008-0644-034-00			1,984	\$506,000.00	\$253,000.00	\$41,678.50
008-0644-035-00			1,984	Part of APN 008-0644-034	\$253,000.00	
008-0644-036-00	Revelli		1,983	\$615,000.00	\$307,447.28	\$23,447.24
008-0644-037-00	Revelli		1,984	Part of APN 008-0644-036	\$307,552.72	
008-0644-038-00*	Fung	2,200	550	\$500,000.00	\$500,000.00	\$55,345.75
008-0644-045-01			10,200	\$905,000.00	\$905,000.00	\$108,027.39
<i>* Both parcels do not fully belong to Parcel 1.</i>					<b>\$5,839,412.53</b>	<b>\$647,224.89</b>
<i>Parcel 2 (Currently APN 008-0716-054)</i>						
008-0643-006-00	Feldstein		5,623	Part of APN 008-0644-020	\$840,581.08	\$13,357.46
008-0643-001-01*	Sears	134,348	49,088	\$12,500,000.00	\$4,567,278.88	
					<b>\$5,407,859.96</b>	<b>\$13,357.46</b>
<i>* A portion of this parcel belongs to Parcel 2. The full cost of the parcel was \$12,500,000.</i>						
<i>Parcel 3 (Currently APN 008-0716-056)</i>						
008-0644-001-00			9,377	\$829,947.00	\$500,788.19	\$262,592.06
008-0644-002-00			6,163	\$1,855,329.50	\$180,466.76	\$12,000.00
008-0644-003-00			4,475	Part of APN 008-0644-002	\$131,038.25	
008-0644-004-00			4,475	Part of APN 008-0644-002	\$131,038.25	
008-0644-005-00			6,713	Part of APN 008-0644-002	\$196,557.38	
008-0644-006-00			4,475	Part of APN 008-0644-002	\$131,038.25	
008-0644-007-00			2,790	Part of APN 008-0644-002	\$81,697.59	
008-0644-008-00			2,236	\$192,400.00	\$192,400.00	
008-0644-009-00*		5,606	473	Part of APN 008-0644-002	\$13,856.97	
008-0644-039-00*		2,112	1,650	Part of APN 008-0644-002	\$48,315.78	
008-0644-040-00			4,202	Part of APN 008-0644-002	\$123,050.63	
008-0644-041-00			5,046	Part of APN 008-0644-002	\$147,768.98	
008-0644-042-00			2,772	Part of APN 008-0644-002	\$81,170.51	
008-0644-043-00			3,300	Part of APN 008-0644-002	\$96,631.56	
008-0644-044-00			3,311	Part of APN 008-0644-002	\$96,940.78	
<i>* Both parcels do not fully belong to Parcel 3.</i>					<b>\$2,152,759.91</b>	<b>\$274,592.06</b>
					<b>\$13,400,032.40</b>	<b>\$935,174.41</b>

***(B) The purpose for which the property was acquired.***

The properties were acquired for the implementation of the Project. This development transformed a former large surface parking lot, several blighted single-residential occupancy buildings, a large aging parking structure, and vacant, blighted parcels into a transit-oriented development.

***(C) Parcel data, including address, lot size, and current zoning in the former agency redevelopment plan or specific, community, or general plan.***

The property address for all three parcels is 1911 Telegraph Avenue in the Alameda County records. Each parcel is associated with another APN number for the improvements on top, which has been ground leased to the Developer. Below is a chart showing how the APNs are related to one another.

<b>Parcel No.</b>	<b>APN for land (City-owned)</b>	<b>Address for land</b>	<b>APN for improvements (Developer)</b>	<b>Address for improvements</b>	<b>Size of Parcel</b>
1	008-0716-052	1911 Telegraph Ave	008-0716-053	600 William St	76,940 sf
2	008-0716-054	1911 Telegraph Ave	008-0716-055	601 William St	54,867 sf
3	008-0716-056	1911 Telegraph Ave	008-0716-057	500 William St	73,878 sf

The General Plan designation is Central Business District and the zoning is CBD-R Central Business District Residential Zone. The intent of the CBD-R zone is to create, maintain, and enhance areas of the Central Business District appropriate for residential development with small-scaled compatible ground-level commercial uses. The redevelopment plan for the area reinforces the General Plan and designates the area as the Uptown Activity Area. The Project meets several Objectives and Purpose of the Uptown Retail and Rehabilitation Area in the Central District Urban Renewal Plan, including 1) Re-establishment of residential areas for all economic levels within specific portions of the Project Area; 2) Improved environmental design within the Project Area, including creation of a definite sense of place, clear gateways, emphatic focal points and physical design which expresses and respects the special nature of each sub-area; 3) Provision of adequate infrastructure such as public parking, sidewalks, and traffic control; and 4) Utilization of key transit nodes to support transit-oriented development.

***(D) An estimate of the current value of the parcel including, if available, any appraisal information.***

Based on the ground lease payments discussed below, the net present value of the lease payments when discounted by 6.5% per year is \$12.2 million. There is also an option to purchase the property at the Agency's cost adjusted for inflation at any time during the initial lease term, through 2071. Because the payment amount and date are unknown, it is difficult to place a value on the properties. Sale of the properties with the leasehold in place is therefore probably worth about \$12.2 million today.

Since the properties were mostly acquired and developed using tax allocation bond proceeds (land purchase: Central District 1986 TE Bonds, Central District 1989 TE Bonds, Central

District 2003 TE Bonds, Central District 2005 TE Bonds and Central District 2006T Bonds - 83%, various unrestricted - 17%; monetary subsidies: City capital funds - 21%, Central District 2003 TE Bonds, Central District 2005 TE Bonds and Central District 2006T Bonds - 31%, restricted federal grant and other funds - 27% and unrestricted funds - 21%), any revenue or disposition proceeds generated by the properties are or would be restricted bond proceeds and could only be used for redevelopment purposes consistent with the bond covenants and federal tax law.

***(E) An estimate of any lease, rental, or any other revenues generated by the property, and a description of the contractual requirements for the disposition of those funds.***

The Ground Lease establishes payments to the City, as current landlord, beginning in 2016 and ending in 2034 for a total of \$24,415,000 in annual installments as follows:

<u>Year</u>	<u>Amount</u>
2016	\$ 485,320
2017	\$ 577,798
2018	\$ 673,147
2019	\$ 771,454
2020	\$ 872,811
2021	\$ 977,311
2022	\$ 1,085,051
2023	\$ 1,196,129
2024	\$ 1,310,648
2025	\$ 1,376,180
2026	\$ 1,444,989
2027	\$ 1,517,238
2028	\$ 1,593,100
2029	\$ 1,672,755
2030	\$ 1,756,393
2031	\$ 1,844,213
2032	\$ 1,936,423
2033	\$ 2,033,245
2034	\$ 1,290,795
<b>Total</b>	<b>\$ 24,415,000</b>

As noted above, since the properties were acquired and developed using tax allocation bond proceeds, both taxable and tax-exempt (land: various TE/T Bonds, \$13.4 million, various unrestricted, \$2.7 million; monetary subsidies: City capital funds \$5.3 million, various TE/T Bonds \$7.9 million, restricted federal grant and other funds \$6.7 million and unrestricted funds \$5.3 million), any revenue or disposition proceeds generated by the properties are or would be restricted bond proceeds and could only be used for redevelopment purposes consistent with the bond covenants and federal tax laws.



***(F) The history of environmental contamination, including designation as a brownfield site, any related environmental studies, and history of any remediation efforts.***

The table below summarizes all of the studies completed on soil or groundwater issues on this site.

<b>Date</b>	<b>Author</b>	<b>Title</b>	<b>Details (if applicable)</b>
February 1992	Alameda County Health Care Services Agency Department of Environmental Health Hazardous Materials Division	Underground Storage Tank Closure Plan – Goodyear Service Center #1732	February 3, 1992 Available with Matrix Environmental Services, LLC
September 1993	Dames & Moore	Report Groundwater Monitoring Former Chevron Service Station, 1911 Telegraph Avenue	September 24, 1993
April 1994	Uribe & Associates	Limited Phase II Site Assessment Report, 1810 San Pablo Avenue/571 19 <sup>th</sup> Street	April 28, 1994
June 1994	Uribe & Associates	Groundwater Monitoring Report; Downtown Redevelopment Zone, Oakland, CA	June 8, 1994
May 1998	Chaney, Walton & McCall, LLC and Ellington Group, Inc.	Environmental Inspection Report: 550 Williams Parcel (Former Spar Sausage Company Facility)	May 20, 1998
February 1999	Chaney, Walton & McCall, LLC and Ellington Group, Inc.	Phase II Environmental Site Assessment, Oakland, CA	February 19, 1999
May 1999	City of Oakland	ESA data on APN 8-643-1-1 (Sears Property), First Quarter 1999, Groundwater Monitoring and Sampling Report Sears 1039, 1901-1911 Telegraph Avenue, Oakland, CA	May 21, 1999
January 2000	Uribe & Associates	Phase I Environmental Site Assessment, Three Parcels Located at 574 Williams Street	January 14, 2000
May 2001	Harding ESE	Draft Environmental Investigation Report: Oakland Uptown Redevelopment Project	May 1, 2001
April 2001	Chaney, Walton & McCall, LLC	Shallow Groundwater Monitoring and Assessment - Uptown Theater District (Oakland, CA)	Site Description, Field Investigation, Lab Analyses and Findings
June 2001	Subsurface Consultants, Inc.	Phase I Environmental Site Assessment, 1961-1975 Telegraph Avenue, Oakland, CA	June 7, 2001
December 2002	URS	2002 Third Quarter Groundwater Monitoring Report, Former Sears Retail Center #1039, 1911 Telegraph Avenue	December 12, 2002
January 2003	Treadwell & Rollo	Preliminary Geotechnical Investigation, Uptown Development Parcels 1, 2, and 3, Oakland, CA	January 21, 2003
February 2003	Aqua Science Engineers	Report of Soil and Groundwater Assessment at Feldstein Property: 1940 San Pablo Avenue	February 5, 2003 Available with Matrix Environmental Services, LLC
September 2003	LSA Associates, Inc.	Uptown Mixed Use Project Environmental Impact Report, Public Review Draft	Prepared for the City of Oakland Community and

			Economic Development Agency
February 2004	Matrix Environmental Services, LLC	Final Environmental Due Diligence Review for the Oakland Uptown Mixed Use Site	
April 2004	Fugro West, Inc.	Sampling and Analysis Plan – Uptown Project Area (Oakland, CA)	
May 2005	Treadwell & Rollo Environmental and Geotechnical Consultants	Remedial Action Plan/Risk Management Plan, Parcels 1 Through 4, Oakland Uptown Mixed Use Site, Oakland, California. May 23.	
July 2005	Fugro West, Inc.	Site Assessment Report – Uptown Project Area (Oakland, CA)	
October 2005	LFR Levine-Fricke (LFR)	Health and Safety Plan and Air Monitoring Plan for Remedial Activities at the Uptown Project Site, Oakland, California. October 24.	
November 2005	LFR Levine-Fricke (LFR)	Interim Storm Water Pollution Prevention Plan for Demolition and Grading Activities, Uptown Development Project, Oakland, California. November 22.	
December 2005	Pacific States Environmental Contractors, Inc. (PSEC)	Health and Safety Plan	

(i) The properties were principally contaminated with lead (in both surface soils and lead-based paint in existing structures), asbestos (in existing structures), chlorinated solvents (low levels in groundwater) and petroleum hydrocarbons (in soil and groundwater). The properties were remediated by the Developer during the demolition and site excavation phases of the Project. The remediation effort was subject to the terms and conditions of a “Remediation Action Plan/Risk Management Plan (RAP/RMP), Parcel 1 through 4 Oakland Uptown Mixed Use Site” dated May 23, 2005. The RAP/RMP was approved by the Regional Water Quality Control Board, San Francisco Bay Region by letter on July 27, 2005. Further, the Agency and the Developer obtained from the Regional Board an agreement effective June 15, 2005, entitled “Mutual Covenant not to Sue for the Oakland Uptown Mixed-Use Site, Oakland, Alameda County, that provides that subject to compliance by the Agency and the Developer with the RAP/RMP, no party will be required to undertake further site investigation, remediation or monitoring activities for hazardous materials conditions that existed prior to and as of the redevelopment of the Properties. Subsequently, the Agency received the following No Further Action letters from the Regional Board:

Number	Title	Parcel	Date
1	No Further Action for Soils at Parcels 1 & 3 at the Uptown Mixed Use Development located at the Northeast Corner of 19th Street and San Pablo Avenue, Oakland, Alameda County	Parcel 1&3	6/15/2006
2	No Further Action for Soil at Parcel 2 of the Oakland Uptown Mixed Use Development Site located at the Northeast Corner of 19th Street and San Pablo Avenue, Oakland, Alameda County	Parcel 2	6/2/2006

The risk management measures for the Properties include a Covenant and Environmental Deed Restriction dated October 24, 2005. Based on post-remediation soil gas and groundwater sampling results, TPHg, BTEX and VOC, concentrations in soil gas and groundwater at the Site are not a risk to indoor air. In addition, the Developer has voluntarily installed a vapor barrier under the new apartment buildings at the properties to mitigate potential vapor intrusion from groundwater into indoor air. According to the Regional Board, the properties site qualified for low-threat closure and no further actions related to the pollutant releases for groundwater at the properties are required.

***(G) A description of the property's potential for transit-oriented development and the advancement of the planning objectives of the successor agency.***

None. The site is already developed and in use.

***(H) A brief history of previous development proposals and activity, including the rental or lease of property.***

The City of Oakland and the Redevelopment Agency have a long history of pursuing redevelopment and revitalization of the Uptown area in downtown Oakland. During the 1980's and through the mid-1990's, the area was repeatedly targeted as the prime location for an enclosed regional shopping mall.

During the early '80s, the first of these regional development plans, embodied in the Maryland-based Rouse Company's Galleria" project, came up with a plan to build four department stores along Telegraph Avenue near 19th Street. The Rouse proposal included a Nordstrom and a Macy's, but the stores were so cautious that they refused to move in unless the city agreed to guarantee their profits for five years. In addition, Rouse requested a city subsidy initially estimated at \$100 million that was steadily revised upwards. The Project did not come to fruition because of a national economic recession, consolidation in the retail industry and requests for major Agency funding assistance that could not be met.

In the mid 1990's, the Martin Group proposed another project for the Uptown Area that included a significant amount of entertainment and retail uses. This project, too, failed to attract the required support from the national retail sector and never materialized.

In 1997, the Redevelopment Agency Board amended the Central District Urban Renewal Plan to introduce a new activity area referred to as the "Uptown Retail and Entertainment Area" (the "Uptown Area"). The intent was to refine redevelopment goals and objectives for the area in light of the Agency's previous unsuccessful efforts. Yet, even the refined focus on retail and entertainment did not translate into significant progress in attracting major retail tenants.

In the late 1990's, the Agency worked with the Chicago-based firm, Urban City Development, which drew up plans for an uptown complex that included 200,000 square feet of

retail, a 14-screen movie theater, a 1,500-car garage, and a grocery market. This effort never moved beyond the initial planning stages as Urban City Development experienced difficulties in securing lease commitments from tenants.

In 1999, the Redevelopment Agency and the City Council approved a shift in the Uptown Retail Strategy. Instead of pursuing the development of a conventional urban shopping center, the City and Agency's efforts were redirected to focus on a "building-by-building" and "block-by-block" approach, centering on a "Main Street" retail concept.

At the same time, the City Council and Mayor's 10K housing initiative repositioned the Uptown Area as an opportunity site for residential development that could become a potential catalyst for growth in the retail sector along Broadway and Telegraph Avenue. Forest City approached the Agency for the first time in 1999 with their proposal to develop a major residential development in the Uptown Area.

***(I) The use or disposition of the property.***

As properties currently encumbered by long-term enforceable obligations in the form of covenants running with the land, the properties will be retained by the City to fulfill those enforceable obligations. The obligations include the obligation to lease the properties under the Uptown Redevelopment Project Ground Lease dated October 24, 2005, pursuant to the Uptown Redevelopment Project Amended and Restated Lease Disposition and Development Agreement, also dated October 24, 2005. The Ground Lease includes an enforceable obligation to sell the properties to Forest City (see Section 48, Option to Purchase Fee Simple Interest in the Property).

## **B.2. Sears Parcels**

### ***(A) The date of the acquisition of the property and the value of the property at that time, and an estimate of the current value of the property.***

On January 24, 2005, the Redevelopment Agency obtained an order of possession for two adjacent properties located at 2016 Telegraph Avenue and 490 Thomas L. Berkley Way. The Agency took possession of the properties on July 15, 2005. On April 3, 2007, the Agency entered into a settlement agreement with the owner of the properties and secured title in May of the same year. The Agency paid \$2,744, 125 (or \$129/square foot) for the properties. Based on a 2011 appraisal of a property that is in proximity to the properties, the current value would be \$1.8 million or \$90/square foot.

### ***(B) The purpose for which the property was acquired.***

The Agency acquired the properties during the site assembly phase for the Uptown Apartments, a mixed-use development located on three properties at 500 William Street, 600 William Street and 601 William Street, which consists of 665 units of mixed-income rental housing and 9,000 square feet of neighborhood-serving retail. Specifically, the properties were purchased for the relocation of an existing Sears Auto Center that was located on one of the properties designated for development of the Uptown Apartments.

### ***(C) Parcel data, including address, lot size, and current zoning in the former agency redevelopment plan or specific, community, or general plan.***

The properties consist of two parcels located at 2000-2016 Telegraph Avenue and 490 Thomas L. Berkley Way. The 2000-2016 Telegraph Avenue parcel (also known as 492 20<sup>th</sup> Street and 2000-14 Telegraph Avenue, APN: 008-0649-010) is directly adjacent to the west of the 490 20<sup>th</sup> Street parcel. It consists of one irregularly shaped parcel situated on the northeast corner of Thomas L. Berkley Way and Telegraph Avenue. The total land area of the parcel is calculated to be approximately 10,755 square feet.

The 490 Thomas L. Berkley Way parcel (also known as 488 20<sup>th</sup> Street, APN: 008-0649-009) consists of one irregularly shaped interior parcel situated on the north side of 20<sup>th</sup> Street between Telegraph Avenue and Broadway. Directly adjacent to the east side of the parcel is an exit path from the Paramount Theater, which is seven feet wide and acts as a buffer between the subject parcel and the adjacent building. The total land area of the parcel is calculated to be approximately 9,336 square feet.

The General Plan designation is Central Business District and the zoning is CBD-P: Central Business District Pedestrian Retail Commercial Zone. The intent of the CBD-P zone is to create, maintain, and enhance areas of the Central Business District for ground-level, pedestrian-oriented, active storefront uses. Upper story spaces are intended to be available for a wide range of office and residential activities. The redevelopment plan for the area reinforces the General Plan and designates the area as the Uptown Activity Area.

***(D) An estimate of the current value of the parcel including, if available, any appraisal information.***

The last appraisal prepared for the site was prepared in March of 2006, which was at the height of the housing boom in the Bay Area. It stated a value of \$2.8 million (or \$133.44/square foot). A more recent appraisal for a nearby site located at 1800 San Pablo Avenue was prepared on January 7, 2011, and estimated a value between \$80 and \$100 per square foot. The general real estate market is in Oakland only gradually improving and the current value of the properties is estimated to be approximately \$1.8 million or \$90 per square foot.

***(E) An estimate of any lease, rental, or any other revenues generated by the property, and a description of the contractual requirements for the disposition of those funds.***

The properties are currently used as a surface parking lot. The City has entered into a month-to-month parking management agreement with Star Park Corporation, a private parking operator who is paying to the City a monthly fee of \$3,500 for use of the properties.

***(F) The history of environmental contamination, including designation as a brownfield site, any related environmental studies, and history of any remediation efforts.***

The table below summarizes all of the studies completed on soil or groundwater issues on this site.

<b>Date</b>	<b>Author</b>	<b>Title</b>	<b>Details</b>
December 2004	Fugro West, Inc.	Soil and Groundwater Sampling 20 <sup>th</sup> Street and Telegraph Avenue, Oakland, California	ESA Phase 2
May 2005	Fugro West, Inc.	Additional Soil and Groundwater Sampling 20 <sup>th</sup> Street and Telegraph Avenue, Oakland, California	ESA Phase 2

The site assessment revealed the presence of lead concentrations above the Environmental Screening Level (ESL) for a residential project in one sample, while the remaining detected total lead concentrations are well below the residential ESL and are similar to anticipated background values. The soil samples further indicate the presence of total petroleum hydrocarbons as diesel (TPHd) in the soil in one location, which exceed residential ESLs, but not commercial ESLs. No significant benzene, toluene, ethylbenzene, and xylenes (BTEX)) or Methyl Tertiary Butyl Ether (MTBE) concentrations were detected in soil or groundwater. The authors of the environmental assessment report conclude that considering the planned commercial use for the site as a Sears Auto Center, detected total lead and TPH concentrations in soil as well as TPH concentrations in groundwater do not pose a significant threat to human health or the environment through either contact or an indoor air inhalation pathway. Additional analysis may be required to adequately classify soils excavated from the properties during construction. If the proposed use of the properties changes to a residential project, remediation measures will be necessary.

***(G) A description of the property's potential for transit-oriented development and the advancement of the planning objectives of the successor agency.***

Located west of the Uptown Transit Center, the site is served by both Bay Area Rapid Transit (BART 12<sup>th</sup> Street – City Center and 19<sup>th</sup> Street Stations) and Alameda/Contra Costa (AC) Transit. BART routes that serve the Property area include the Richmond/Daly City-Millbrae, Fremont/Richmond, and Pittsburg/Bay Point-San Francisco Airport/Millbrae lines. AC Transit routes that serve the area include the 1, 1R, 11, 12, 18, 51A, 58L, 72, 72M, 72R, 800, 802, 805, 851, and NL lines.

The parcels are zoned for commercial use. It is an ideal site for transit-oriented development because of its proximity to various modes of public transportation.

***(H) A brief history of previous development proposals and activity, including the rental or lease of property.***

The properties were purchased for the relocation of an existing Sears Auto Center that was located on one of the properties designated for development of the Uptown Apartments.

The Agency entered into a Lease Disposition and Development Agreement for the properties with Sears Development Corporation on October 18, 2005. It is Sears' intent to develop the properties into a Sears Auto Center with additional compatible commercial uses.

***(I) The use or disposition of the property.***

As properties currently encumbered by long-term enforceable obligations in the form of covenants running with the land, the properties will be retained by the City to fulfill those enforceable obligations. The obligations include a Lease Disposition and Development Agreement for the Sears Auto Center, dated October 18, 2005 (the "LDDA"), which requires the Redevelopment Agency, now the City, to lease the property to Sears for \$1 per year. The lease is for a 50-year term initially, with an additional 49-year extension. The LDDA includes an option given to Sears to purchase the property for nominal consideration once Sears is ready to develop (Section 2.1, Term of Ground Lease). This obligation was negotiated as part of the purchase price for buying the Sears Auto and Battery and parking garage sites. If the sale does not take place, the City/ORSA is required to pay Sears \$1.6 million in lieu of the land, per Section 16.7, Termination of LDDA and Remedies.

### **B.3. Rotunda Garage Remainder**

This site is a remainder parcel from the 17<sup>th</sup> Street “Rotunda” Garage development. The Redevelopment Agency purchased the Rotunda Building, most of the 17<sup>th</sup> Street Garage and the Oakland Ice Center sites together. Three additional parcels were purchased to accommodate the 17<sup>th</sup> Street Garage. The 534 16th Street parcel is a small remainder site that provides a second entry/exit for the 17th Street Garage, through a permanent easement, and temporary surface parking. The site was part of the 17<sup>th</sup> Street Garage Disposition and Development Agreement. Until the economy improves and development is begun on the site, there is a ground lease for a nominal rent of \$1.00 per year in place.

***(A) The date of the acquisition of the property and the value of the property at that time, and an estimate of the current value of the property.***

The main 17<sup>th</sup> Street Garage Site, including the entire site at 534 16<sup>th</sup> Street, was purchased on November 19, 1991 as part of a purchase of three parcels. The prorated value of all of the land purchased together was \$13.13 per square foot, giving the 6,700 square foot site a value of \$87,954 at the time of purchase. The current value is estimated to be approximately \$70.00 per square foot or \$469,000 for the 534 16th Street parcel.

***(B) The purpose for which the property was acquired.***

The site was acquired as part of the Rotunda Building purchase which was made in order to facilitate the renovation of the large vacant building. The Rotunda Building was renovated under a Disposition and Development Agreement (“DDA”) with the Agency. This DDA required the Agency to develop parking in the area and provide parking in City facilities until the garage was completed. The site had been the source of parking for the Rotunda Building for many years prior to the Agency purchase.

***(C) Parcel data, including address, lot size, and current zoning in the former agency redevelopment plan or specific, community, or general plan.***

The General Plan designation is Central Business District and the zoning is CBD-C Central Business District General Commercial Zone. The intent of the CBD-C zone is to create, maintain and enhance areas of the Central Business District appropriate for a wide range of ground-floor office and other commercial activities. Upper-story spaces are intended to be available for a wide range of residential, office or other commercial activities. Most retail, office and residential uses are allowed up to a Floor Area Ratio of 20.0 or a residential density of one unit per 90 square feet of land. The redevelopment plan for the area reinforces the General Plan and designates the area as the Uptown Activity Area.



***(D) An estimate of the current value of the parcel including, if available, any appraisal information.***

The current value is approximately \$70.00 per square foot or \$469,000, which would be reduced by \$100,000 due to the easement. The value of the 534 16<sup>th</sup> Street site is therefore estimated to be \$369,000. According to the “33433 Report” for the 17<sup>th</sup> Street Garage DDA, on June 22, 2004 the value of the site was \$90.00 per square foot minus \$100,000 for the easement, or \$503,000 for the site. There is no more recent information for this site, but there is an appraisal for 521 19<sup>th</sup> Street, more commonly referred to as 1800 San Pablo Avenue, that was prepared on January 7, 2011. The value of this land was estimated to be between \$80 and \$100 per square foot. Although the real estate market has improved since then, the 534 16<sup>th</sup> Street would be valued much lower because of the small size, the easement building constraint due to the three surrounding buildings and the low visibility of the site. Unencumbered, the site is approximately worth \$70.00 per square foot.

***(E) An estimate of any lease, rental, or any other revenues generated by the property, and a description of the contractual requirements for the disposition of those funds.***

The current lease only generates a nominal rent, \$1.00 per year. The lease is for a term of up to 20 years, five years initially with three five year extensions, beginning December 3, 2004.

Since the property was mostly acquired using tax allocation bond proceeds (Central District 1986 TE Bonds - 54%, unrestricted - 46%), any revenue or disposition proceeds generated by the property are or would be restricted bond proceeds and could only be used for redevelopment purposes consistent with the bond covenants and federal tax laws.

***(F) The history of environmental contamination, including designation as a brownfield site, any related environmental studies, and history of any remediation efforts.***

Some basic soil and ground water analysis was done for the 17<sup>th</sup> Street Garage project, Subsurface Consultants, Inc. – February 5, 2001, Results of Chemical Analysis, 17<sup>th</sup> Street Garage Project, Oakland, California. This analysis found elevated levels of Total Extractable Hydrocarbons as diesel fuel (TEHd) and lead in some of the soil. The concentrations were primarily located in the shallow fill on the site, the top one to three feet. While the contamination levels should not require action to remediate if the site is encapsulated, i.e. if it is built out to 100% of the site for a medium or high density residential project, the soil removed from the site would have to be carefully tested and may require it to be treated as hazardous waste. Further testing is required before sale of the property and probably during construction of the project.

***(G) A description of the property’s potential for transit-oriented development and the advancement of the planning objectives of the successor agency.***

The site is two blocks from the 12<sup>th</sup> Street BART Station. The site is ideal for higher density transit development, including 75 residential units, but because of the small size and neighboring

historic buildings it would only accommodate approximately 25 residential units or 20,000 square feet of office. The site is an ancillary part of the 17<sup>th</sup> Street Garage Site and was allowed to be developed for any reasonable use with Agency approval of the project. The site is considered suitable for residential, retail and office uses.

***(H) A brief history of previous development proposals and activity, including the rental or lease of property.***

The site was purchased as an ancillary parking lot for the Rotunda Building. It had been used as parking for the department stores that were located in the Rotunda Building and since the renovation of the building in to an office building it has been used as parking by the tenants. The site can accommodate this continued use on the ground floor with approximately five stories of residential or office above.

***(I) The use or disposition of the property.***

As property currently encumbered by long-term enforceable obligations in the form of covenants running with the land, the property will be retained by the City to fulfill those enforceable obligations. These obligations include the lease and sale of the property under the 17th Street Garage Disposition and Development Agreement, dated August 26, 2004, with Rotunda Partners LP, and is encumbered by a Ground Lease, dated December 3, 2004. The Redevelopment Agency transferred the rest of the land when the garage was built, but only leased the parcel on 16th Street as a second entry until the site is developed. The DDA requires lease of the property (see Section 4.02(d), Transfer of Parcel 4), and sale of this property when Rotunda Partners is ready to begin development of the property (Section 5.04, Parcel 4 Section (iii)). The Ground Lease is for a term of five years (Section 3.1 Term), with three five-year extensions (Section 3.2, Option to Extend). The property is further encumbered with a nonexclusive easement held by Rotunda Partners for vehicular and pedestrian ingress and egress for the garage.

#### **B.4. Fox Theater**

The Fox Theater Project renovation was one of the most challenging and unique construction projects ever undertaken by the Oakland Redevelopment Agency. The Agency purchased the Fox in 1996, and a decade later, began a multi-phased effort to restore and reuse the historic building. An Agency investment of approximately \$50 million in equity and loans for the renovation ultimately leveraged \$36 million in state and federal grants, historic and new markets tax credit equity, and private capital financing. The renovation was completed and the Fox held a Grand Reopening in February 2009.

The Fox was restored into a fully functioning mixed-used facility. It features a state-of-the-art live performance theater with flexible capacity serving 1,500 to 2,800 patrons. It houses the Oakland School for the Arts, a tuition-free, academically challenging public charter school that attracts students from throughout the Bay Area. The Fox also offers a ground floor bar, the Den at the Fox, in addition to a restaurant/diner.

***(A) The date of the acquisition of the property and the value of the property at that time, and an estimate of the current value of the property.***

The Redevelopment Agency purchased the Fox Theater, then an abandoned and vacant building, in 1996 for \$3 million and spent an additional \$3.5 million over the next decade replacing the roof, renovating the historic marquee, completing some hazardous material abatement, and completing various studies required for the eventual renovation of the property. Based on the net revenue from the tenants, the renovated theater is worth approximately \$13,770,000 (Gross Rent \$1,285,128 \* 0.75 (25% deducted for expenses and replacement reserves) / 7.0% CAP Rate); which is much less than the outstanding debt from the renovation of \$36,700,000, excluding debt with the Redevelopment Agency.

***(B) The purpose for which the property was acquired.***

The Agency purchased the Fox Theater for the purpose of redeveloping the historic site and with the hope that it would act as a catalyst for broader revitalization of the neighborhood. Due to years of neglect, the Fox was an eyesore and a source of neighborhood disinvestment. Its prime location in the heart of what was once a vibrant downtown made it a key component to the revitalization of Downtown Oakland. Under former Mayor Jerry Brown's leadership, the Agency focused on the redevelopment of the Fox Theater as a way to spur investment by attracting new restaurants and other businesses to the area. Brown championed a strategy to attract 10,000 new residents to Downtown Oakland, known as the 10K Housing Plan, by developing new market rate condo and rental projects. In addition, Brown had envisioned the Fox as the new home for a performing arts charter school located in another part of downtown. These purposes aligned with the local preservation community's desire to rehabilitate a historic treasure as well.

***(C) Parcel data, including address, lot size, and current zoning in the former agency redevelopment plan or specific, community, or general plan.***

Property Address	Lot Size	General Plan Designation	Zoning	APN
521 – 19 <sup>th</sup> Street, Oakland CA 94612	64,904 (1.49 acres)	Central Business District	CBD-X (Mixed Commercial) CBD-P (Pedestrian Retail)	008-0642-001 (main, all) 008-0642-002 (partial) 008-0642-014 (partial) 008-0642-015 (all)

***(D) An estimate of the current value of the parcel including, if available, any appraisal information.***

It is likely that there was no value in the Theater before it was renovated in 2006, i.e. the cost of renovation would be more than the value of the building after the renovations. At that time, the market value of the leased fee interest (for the underlying land only) of the property was estimated to be \$9,728,000 (*Yovino Young, Inc. October 2006*). But the 60-year lease discussed below was based on the purchase price and improvements made by the Agency equal to \$6.5 million. The Agency loaned the funds for this rent payment, i.e. received no cash payment, but it was considered paid and now has residual receipt loan payments due from the entities set up and controlled by the City and Redevelopment Agency. Because the rent is considered paid and the property will not generate revenue over the next 54 years, the property has little or no value if it were to be sold.

***(E) An estimate of any lease, rental, or any other revenues generated by the property, and a description of the contractual requirements for the disposition of those funds.***

The Agency leased the property to a series of entities that were created by the City and Redevelopment Agency for the project, including: a non-profit corporation, Fox Oakland Theater, Inc.; a for profit corporation, Fox Theater Manager Inc.; and two limited liability companies, Fox Theater Landlord LLC and Fox Theater Master Tenant LLC. The Agency estimated the lease value to be equal to the costs incurred by the Agency, \$6.5 million, and loaned the entities the funds for the lease and \$25.5 million for the renovation of the property. During the construction, the Agency increased the loan by \$9.5 million, and provided \$7.0 million in loans and grants to the three tenants of the building. As the property owner, the City does not, and will not get lease payments for the remaining 53 years under the lease. But there should be loan repayments made to the City from the net revenue from the property. The City has been getting small payments on one of the tenant improvement loans, from additional lease payments from two of the tenants, and has been fully repaid on tenant improvement loan from the Oakland School for the Arts. But the repayment of the loan for the lease is part of a much larger loan for renovation of the property and is in position behind other debt. The City is in position behind a \$6.5 million construction/permanent loan and two New Market Tax Credit enhanced leveraged loans totaling \$31.0 million. There has been no net revenue for additional Agency loan repayment after operating costs and debt service payments on these three loans.

Since the property was completely acquired using tax-exempt tax allocation bond proceeds (100% Central District 1986 TE Bonds), any revenue or disposition proceeds generated by the property are or would be restricted bond proceeds and could only be used for redevelopment purposes consistent with the bond covenants and federal tax laws.

***(F) The history of environmental contamination, including designation as a brownfield site, any related environmental studies, and history of any remediation efforts.***

- 1997: *Asbestos Survey Report – Fox Theater and Retail/Office Space*, published on January 20, 1997 by SECOR International Incorporated. The report presented results of an asbestos and limited lead paint survey conducted by SECOR on Jun-2006 and Jul-2006.
- 2004: Because the theater contained high concentrations of airborne mold, as well as asbestos and lead paint, in order to protect the health of tradesmen, workers and contractors involved in the eventual renovation, an initial cleaning of the theater was conducted by Alarcon Bohm. This included:
- Cleaning up bird and rodent droppings
  - Spot abatement / repair of damaged asbestos containing thermal systems
  - Encapsulating of all remaining thermal systems in basement
  - Removing all chipping and peeling lead base paint from the basement walls
  - HEPA vacuuming all asbestos and lead paint debris in the basement
  - HEPA vacuuming and wet wipe the basement areas
  - HEPA vacuuming all dust and debris from interstitial ceiling spaces
  - Visual and tactile inspection of ceiling spaces
  - Spraying ceiling spaces with biocide
  - Sealing spaces with anti-fungal sealer
  - Removing all chipping and lead base paint (up to 8 feet) from the perimeter walls of the theater
  - Removing all chipping and lead based paint (up to 8 feet) from the entry lobby
  - Encapsulating all the areas where chipping and/or peeling paint were removed
  - HEPA vacuuming the floor area of the theater and lobby
  - Wet wiping all walls in the theater and lobby areas
- May 2004: KELLCO Environmental tests and documents the theater for hazardous materials based on the work performed by Alarcon Bohm.

- KELLCO performs final visual/tactile inspection after the completion of all the work
- KELLECO collects the final lead wipe and asbestos air sampling in all designated areas
- KELLCO collects the post remediation air samples

2004: Fox Theater Plan receives California Environmental Quality Act (CEQA) certification as incorporated in *Uptown Redevelopment Project Environmental Impact Report (EIR)*.

March 2005: Fox Theater receives visual clearance from KELLCO Environmental for lead based paint and asbestos.

Jun/Jul-2005: The Uptown *EIR* was approved by the City Planning Commission on June 1, 2005, and reviewed and approved by the City and Agency Council on July 19, 2005 pursuant to CEQA. The *Corrected Initial Study / Mitigated Negative Declaration for the Oakland Fox Theater Rehabilitation and Addition* was filed on behalf of the Agency for the Oakland City Planning Commission. The corrected version was published on June 1, 2005 (Case File Number CMD05255 and ER050009).

Feb-2006: *Asbestos and Lead Environmental Hazardous Materials Assessment Report and Work Plan, published on February 3, 2006 by Kellco Services, Inc. The Work Plan provided guidelines and instructions for the cleaning and/or abatement of asbestos, lead materials, mold, and other known hazardous mater prior to construction.*

*Sept-2006 to*

*Dec 2008:* A pre-development construction contract for demolition and hazardous materials abatement was implemented. As part of the contract, asbestos, lead-based paint and PCB levels were abated. Additional work was performed during the development phase as walls and other systems were opened up and new hazardous materials were discovered.

***(G) A description of the property's potential for transit-oriented development and the advancement of the planning objectives of the successor agency.***

None. The site is already developed and in use.

***(H) A brief history of previous development proposals and activity, including the rental or lease of property.***

The Fox Theater closed in 1972 and the building was sold at auction in 1978; there was no activity during that time, despite efforts of the then owner to reopen the theater. However, there was an effort by the Agency during the mid-1980's to develop the area surrounding the Fox Theater. In November 1985, the Redevelopment Agency published a Request for Qualifications

to develop the area adjacent to the Fox, bounded in general by 17<sup>th</sup> and 21<sup>st</sup> Streets along the Telegraph Avenue spine, for the purpose of major department store-oriented retail/mixed use development. The Agency selected the Rouse Company, a national shopping mall developer. At the time, the Fox was anticipated to have been developed as a Cineplex theater complex in advance and independently of the retail center.

A brief history of activities leading up to the construction and reopening follows:

1996: Building purchased from private owner by the City of Oakland.

1999: Friends of Oakland Fox (FOOF) established as nonprofit to work closely with City to protect and restore the Fox Oakland Theater.

2000: Total roof replacement completed.

2001: Marquee and vertical blade sign renovated.

2001: Master Plan for Fox Theater restoration completed by a team led by Hardy Holzman Pfeiffer Associates. The plan studied five potential reuse options for the Fox complex (costing from \$19 million to \$67 million) and included a market analysis, needs assessment, programmatic and architectural studies for each option, cost data, and financial projections.

2004: Initial cleaning of theater completed. Closed for 30 years, the theater contained high concentrations of airborne mold, as well as asbestos and lead paint.

2004: Preliminary plans and cost estimates completed by California Capital Group (CCG). Fox Theater Plan receives CEQA certification as incorporated in Uptown Redevelopment Project EIR.

2006: Rehabilitation project begins.

2009: Grand Opening on February 9, 2009.

***(I) The use or disposition of the property.***

As a property currently encumbered by long-term enforceable obligations in the form of covenants running with the land, the property will be retained by the City to fulfill those enforceable obligations. These obligations include the Fox Theater Disposition and Development Agreement, dated December 15, 2006 (the “DDA”), and a 60-year Ground Lease dated September 20, 2006 with Fox Theater Landlord, LLC (“FTLL”), an entity set up by the Redevelopment Agency and the City to renovate the theater using Historic and New Market Tax Credits. There are no payments due during the remaining term of the Ground Lease. The DDA also commits the Oakland Redevelopment Successor Agency to fund the buyout out of the investor after the tax credit investment period (Section 5.01.f. Contingency Loan) for a price of up to \$3,530,000.

## **B.5. UCOP Garage**

The University of California Office of the President (“UCOP”) Garage is located at 409 12<sup>th</sup> Street within a portion of the basement level and first level of a five-story parking structure that is on the west side of Franklin Street, between 11<sup>th</sup> and 12<sup>th</sup> Street in the Central District Redevelopment Project Area in downtown Oakland. The five-story parking garage is part of the UCOP Administration Building located at 111 Franklin Street. The UCOP Garage currently provides 145 automobile parking spaces to the public.

***(A) The date of the acquisition of the property and the value of the property at that time, and an estimate of the current value of the property.***

On May 5, 1998, the Redevelopment Agency paid \$2,419,000 for a condominium interest consisting of a 145-space public parking garage located within portions of the ground floor and basement levels of the UCOP building at 1111 Franklin Street pursuant to the terms of the 1996 Disposition and Development Agreement between the Agency and Oakland Developments, LLC for development of the UCOP building (“UCOP DDA”). The current value of the property is estimated to be \$1,600,000 (\$110,000/7% CAP Rate).

***(B) The purpose for which the property was acquired.***

The Agency acquired the UCOP Garage to provide parking for the future development of an adjacent vacant property located at 1111 Broadway into a mixed-use office and retail project. It was anticipated that the size of the property at 1111 Broadway was too small to accommodate major on-site parking if the project was going to provide be significant ground floor retail along Broadway as well.

***(C) Parcel data, including address, lot size, and current zoning in the former agency redevelopment plan or specific, community, or general plan.***

The UCOP Garage is located at 409 12<sup>th</sup> Street. The garage is a condominium measuring approximately 33,000 square feet and consisting of 145 parking spaces and related ramping and circulation within a portion of the basement level and first level of a five-story parking structure that is on the west side of Franklin Street, between 11<sup>th</sup> and 12<sup>th</sup> Street in the Central District Redevelopment Project Area in downtown Oakland.

The General Plan designation for this site is the Central Business District and the Zoning is CBD-C Central Business District General Commercial Zone. The intent of the CBD-C zone is to create, maintain, and enhance areas of the Central Business District appropriate for a wide range of ground-floor office and additional commercial activities. Upper-story spaces are intended to be available for a wide range of residential and office or other commercial activities. The redevelopment plan for the area reinforces the General Plan and designates the area as the Uptown Activity Area.



***(D) An estimate of the current value of the parcel including, if available, any appraisal information.***

The garage generated approximately \$109,000 in net revenues during FY 2011-12. Based on an income approach to value with a cap rate of 7%, the garage would be valued at approximately \$1.6 million.

***(E) An estimate of any lease, rental, or any other revenues generated by the property, and a description of the contractual requirements for the disposition of those funds.***

On January 30<sup>th</sup>, 2000, the Redevelopment Agency entered into a Management Agreement with Douglas Parking, LLC, for the operation and management of the garage. According to the terms of the management agreement, the Agency pays Douglas Parking \$1,500 per month in management fees. Douglas pays all operating expenses from gross revenues generated by the parking facility. Total net revenues for Fiscal Year 2011-12 were approximately \$110,000.

Since the property was completely acquired using tax allocation bond proceeds (100% Central District 1986 TE Bonds), any revenue or disposition proceeds generated by the property are or would be restricted bond proceeds and may only be used for redevelopment purposes consistent with the bond covenants.

***(F) The history of environmental contamination, including designation as a brownfield site, any related environmental studies, and history of any remediation efforts.***

The garage was constructed during 1995/96 on a site that is part of a larger City block bounded by 11<sup>th</sup> Street, 12<sup>th</sup> Street, Broadway and Franklin Street. Prior to the start of construction, the Agency commissioned the environmental assessment reports listed below.

Date	Author	Title	Details
June 1995	Baseline Environmental Consulting	Phase I Site Assessment – 12 <sup>th</sup> Street and Broadway	ESA Phase 1
March 1996	Baseline Environmental Consulting	Soil Investigation – 12 <sup>th</sup> Street and Broadway	Soil Investigation

After evaluation of the results from 12 soil samples at 5 locations, Baseline concluded that they did not identify any chemicals of concern in subsurface soils at the property which could require special soil management procedures, create health and safety concerns for construction workers, or require further site investigation.

***(G) A description of the property's potential for transit-oriented development and the advancement of the planning objectives of the successor agency.***

None. The site is already developed and in use.

***(H) A brief history of previous development proposals and activity, including the rental or lease of property.***

On October 1, 2008, the Redevelopment Agency, pursuant to Resolution No. 2006-88 C.M.S., executed a Purchase and Sales Agreement (PSA) with SKS Investment Partners for the sale of the UCOP Garage. The PSA is still in effect.

The Agency agreed to sell the parking facility to SKS to satisfy the parking needs of the SKS's adjacent 1100 Broadway Project, to ensure the financial feasibility and marketability of the 1100 Broadway Project, and to allow for the development of 10,000 square feet of new retail space on the ground floor of the new office building along the Broadway frontage that would otherwise be used for public parking. Providing parking at the UCOP Garage instead of incorporating it into the 1100 Broadway Project also facilitates the restoration and integration of the historic Key System Building into the new office tower. On June 4, 2010, pursuant to Resolution No. 2010-54 C.M.S., the Agency and SKS amended the PSA to extend the closing date to June 25, 2013. The closing date was extended on December 18, 2012, to June 2015, with an option to extend the date by another 24 months to June 2017. The PSA establishes an initial sales price for the UCOP Garage of \$4.35 million, which is increased on an annual basis by the greater of five percent or the Bay Area cost increase in the McGraw-Hill Construction Cost Index until the date of closing escrow.

The City intends to use the sale proceeds to develop other public parking in downtown Oakland to replace the public parking spaces lost due to the sale.

***(I) The use or disposition of the property.***

As a property currently encumbered by a contractual obligation under the PSA to sell the property to SKS Investment Partners, the property will be retained by the City to fulfill that enforceable obligation.

### **C. Properties for Future Development**

The properties discussed in this section are proposed for future development pursuant to Health and Safety Code Section 34191.5(c)(2) . Under Section 34191.5(c)(2)(A), they will be transferred to the City of Oakland for eventual disposition to a developer.

The City will be responsible for marketing the properties to potential developers through either a competitive process (such as a Request for Proposals, a Request for Qualifications, or a Notice of Development Opportunity) or a negotiated transaction. The City will follow any applicable law governing the approval of any property disposition. The properties may be sold at their fair market value or their fair reuse value, based on the dictates of market conditions and the development climate at the time of disposition. The determination of fair market value will consider the property's highest and best use. The determination of fair reuse value will consider the proposed use of the property and the value of the property with the conditions, covenants and development costs associated with the negotiated disposition.

The City may also choose to dispose of properties by means other than a fee sale, such as a long-term ground lease. Any disposition of a property shall be governed by a negotiated disposition and development agreement or lease disposition and development agreement that will govern the terms of the disposition, the development of the property, and the use of the property following development. Any such agreement shall obligate the developer to develop and use the property consistent with the applicable redevelopment plan, its five-year implementation plan, the City's General Plan and any applicable specific plans. The City is authorized to negotiate and enter into such agreements and dispose of property pursuant to such agreements in conformance with this Plan.

Upon the sale of a property by the City to a developer, the City will share any net unrestricted proceeds from the sale or lease with each taxing entity in an amount proportionate to its share of property tax revenues pursuant to Health and Safety Code Section 34188. The calculation of net unrestricted proceeds shall take into account the transaction costs incurred by the City in marketing the property and processing the sale or lease, as well as the costs incurred by the City and the former Redevelopment Agency in carrying or maintaining the property and in preparing and improving the site for development. In addition, the taxing entities will be compensated for any costs incurred by ORSA in carrying, maintaining, preparing and improving the property.

Many of these properties were acquired or improved using tax allocation bond proceeds. Under applicable law and bond covenants, the proceeds from the sale or lease of these properties will continue to be restricted to uses consistent with the bond covenants in the indenture, such as retiring the bonds or investing in other capital projects meeting a redevelopment purpose within the applicable redevelopment project area. For properties funded with tax-exempt bond proceeds, IRS regulations would also require the revenues and proceeds to be used for another governmental purpose within two years. As such, restricted proceeds by law would not be available for redistribution to taxing entities.

## C.1. 1800 San Pablo Avenue

Commonly referred to as 1800 San Pablo Avenue (although the address is 521 19<sup>th</sup> Street according to county records), this site is an approximately one acre parcel located on the west side of the block bounded by San Pablo Avenue, Telegraph Avenue, 18th Street and 19th Street in the Central District Redevelopment Project Area in downtown Oakland. On September 4, 2009, the Redevelopment Agency issued a Notice of Development Opportunities (“NODO”) to solicit development proposals for this site. The NODO included a requirement to incorporate a 200 space public parking garage to be owned by the Redevelopment Agency in the project. The Redevelopment Agency selected a proposal by Sunfield Development, LLC (“Sunfield”) for a project with approximately 73,500 square feet of retail and recreational uses and a 301-space parking garage with options to expand to 521 parking spaces. On July 20, 2010, the Redevelopment Agency entered into an Exclusive Negotiation Agreement (“ENA”) with Sunfield for an initial term of 12 months with a subsequent extension of 3 months. The City has continued to work with the developer and is currently completing CEQA documents to allow approval of sale of the site under a development agreement. The project description under the Supplemental Environmental Impact Report (“SEIR”) includes 120,000 square feet of commercial space and 309 parking spaces. The current proposal is to sell the property to the developer at market rate and to buy back a 200 space parking garage condominium. The City expects to receive a \$4 million note for the property at sale and to use this note and approximately \$6.4 million in bond funds to buy the parking garage.

### *(A) The date of the acquisition of the property and the value of the property at that time, and an estimate of the current value of the property.*

The Redevelopment Agency acquired 15 parcels, the whole block, and reconfigured them into three new parcels for development purposes. Portions or all of 10 of these parcels make up the new parcel at 521 19<sup>th</sup> Street.

#### 1800 San Pablo Avenue

	Number	Street	Parcel Number	Date of Purchase	Purchase Price		Current Value	Area
1	540	18th Street	008-0642-003	6/25/2002	\$11,376	a	\$127,980	1,422
2	550	18th Street	008-0642-004	6/25/2002	\$23,590	a	\$265,500	2,950
3	568	18th Street	008-0642-005-01	1/11/2002	\$300,000	b	\$531,000	5,900
4	1810-16	San Pablo Avenue	008-0642-005-02	5/5/1994	\$50	c	\$225,450	2,505
5	1800-04	San Pablo Avenue	008-0642-006	6/30/1999	\$121,034		\$369,000	4,100
6	1818-24	San Pablo Avenue	008-0642-007	11/12/1999	\$300,000		\$420,390	4,671
7	1826-30	San Pablo Avenue	008-0642-008	3/29/2002	\$303,432	d	\$443,250	4,925
8	1840	San Pablo Avenue	008-0642-009	3/29/2002	\$303,432	d	\$414,000	4,600
9	571	19th Street	008-0642-010-01	5/5/1994	\$200	c	\$891,000	9,900
10	559-569	19th Street	008-0642-012	6/25/2002	\$27,262	a	\$303,660	3,374
Total					\$1,390,377		\$3,991,230	44,347

a Purchased by the City on 3/31/1977 and traded to the Redevelopment Agency for the Alice Arts Center on 6/25/2002. Value based on the City's original price. Parcel 1 & 10 only include part of the original parcels, value prorated.

- b Purchased for \$2 million with a building across the street. Building was sold separately. Remaining value.
- c Parcels purchased together for \$250, value prorated by area.
- d Parcels purchased together, value prorated by area.

The property was transferred to the City by the Redevelopment Agency on January 31, 2012, pursuant to a Purchase and Sale Agreement between the City and the Redevelopment Agency entered into on March 3, 2011.

***(B) The purpose for which the property was acquired.***

The properties were acquired for the implementation of the Uptown redevelopment project. The Redevelopment Agency acquired the whole block between 1996 and 2002, and transferred the following two parcels:

- 1) The Fox Theater for renovation and adaptive reuse of the facility into a concert hall and school for the arts; construction began August 22, 2006, and a certificate of occupancy was issued on December 19, 2008; and
- 2) A reconfigured parcel for the development of Fox Courts, an affordable housing development with 80 units; construction began in August 29, 2007 and was completed July 30, 2009.

The remaining parcels, which were combined to create the property located at 521 19<sup>th</sup> Street, were going to be developed as part of the Uptown Apartments development project. However, these plans were abandoned after the onset of the 2007-09 recession. Since the completion of surrounding projects and the redevelopment of this neighborhood into a nascent arts and entertainment area, it was decided that the property was best suited for commercial and entertainment use. This would further activate the streets and add to the existing entertainment district.

***(C) Parcel data, including address, lot size, and current zoning in the former agency redevelopment plan or specific, community, or general plan.***

The property address is 521 19<sup>th</sup> Street which was created by combining all or portion of previously existing parcels located at 1800-1840 San Pablo Avenue, 540-568 18<sup>th</sup> Street and 559-597 19<sup>th</sup> Street. The parcel is 44,347 square feet or just over one acre in size. The General Plan designation is Central Business District and the zoning is CBD-X Central Business District Mixed Commercial Zone. The intent of the CBD-X zone is to designate areas of the Central Business District appropriate for a wide range of upper story and ground level residential, commercial and light industrial activity. The redevelopment plan for the area reinforces the General Plan and designates the area as the Uptown Activity Area. The proposed project meets several Objectives and Purpose of the Uptown Retail and Rehabilitation Area in the Central District Urban Renewal Plan (the redevelopment plan that covers the property), including 1) revitalization and strengthening of the Oakland Central District's historical role as a major retail Center; and 2) establishment of the Activity Area as an important cultural entertainment center.

In addition, the proposed project is identified specifically in the current Five-Year Implementation Plan for the Central District, Commercial Development Section, 1800 San Pablo Avenue.

***(D) An estimate of the current value of the parcel including, if available, any appraisal information.***

The last appraisal prepared for the site was prepared on January 7, 2011. At that time the value was estimated to be between \$80 and \$100 per square foot, or between \$3,554,000 and \$4,443,000 for the entire site. This appraisal was prepared by City staff based on an earlier, appraisal by City staff, dated January 4, 2010. The City staff person preparing the document is a licensed appraiser. There was no change in the estimated value between the appraisals, although new market information was included. The general real estate market has not changed significantly, and the current value is still estimated to be \$3,991,230 or \$90 per square foot.

***(E) An estimate of any lease, rental, or any other revenues generated by the property, and a description of the contractual requirements for the disposition of those funds.***

The Redevelopment Agency entered into a Ground Lease with San Jose Arena Management, LLC (“SJAM”) on December 20, 2010 for the property. This agreement allows SJAM to lease, repair, improve, and operate the surface parking lot that is currently located on the site. The term of the lease is 39 months. SJAM pays a rent of \$1,000 per year to the City. According to the terms of the Ground Lease, SJAM retains all net revenue generated from the operation of the surface parking lot until SJAM has fully recovered its capital expenses for all of the tenant improvements on the site. After recover of its capital expenses, SJAM evenly shares all net parking lot revenues with the City during the remaining term of the lease. At this time, SJAM has recovered its expenses, and future revenues will be shared with the City.

Since the property was partially acquired using tax allocation bond proceeds (Central District 1986 TE Bonds and Central District 1989 TE Bonds – 23%, unrestricted 77%), any revenue or disposition proceeds generated by the property are or would be restricted bond proceeds and could only be used for redevelopment purposes consistent with the bond covenants and federal tax laws.

***(F) The history of environmental contamination, including designation as a brownfield site, any related environmental studies, and history of any remediation efforts.***

The table below summarizes all of the studies completed on soil or groundwater issues on this site.

<b>Date</b>	<b>Author</b>	<b>Title</b>	<b>Details</b>
1991	Woodward-Clyde Consultant		ESA Phase 1, 2
1999	Chaney, Walton & McCall, LLC	Phase II Environmental Site Assessment: Fox Theater Block	
April 2001	Chaney, Walton & McCall, LLC	Shallow Groundwater Monitoring and Assessment -	Site Description, Field Investigation, Lab Analyses and Findings

		Uptown Theater District (Oakland, CA)	
June 14, 2002	California Regional Water Quality Control Board	Regulatory Status of the Fox Theater Block and the Uptown Theater District, Oakland, Alameda County	No further action required regarding remedial investigation on the Fox Theater block as it relates to groundwater pollution.
September 2003	LSA Associates, Inc.	Uptown Mixed Use Project EIR (Public Review Draft)	Project Description on Parcel 5
September 2003	LSA Associates, Inc.	Uptown Mixed Use Project EIR – Appendix E: Transportation, Circulation, and Parking Data (Public Review Draft)	Transportation, Circulation, and Parking Data
January 2004	LSA Associates, Inc.	Uptown Mixed Use Project (Responses to Comments Document)	Revisions to Project Description, Comments, Draft EIR Text Revisions
April 2004	Fugro West, Inc.	Sampling and Analysis Plan – Uptown Project Area (Oakland, CA)	Historic Uses for former Parcel 5
July 2005	Fugro West, Inc.	Site Assessment Report – Uptown Project Area (Oakland, CA)	Project Description, Historical site use and recognized environmental condition, Site assessment activities, Subsurface conditions for Parcel 5, Results of Chemical Analysis (Soil, groundwater, soil-gas), Results of Analyses and Waste characterization.
April 4, 2012	ARCADIS U.S., Inc.	Investigation Summary Report, 1800 San Pablo Avenue, Oakland, California	Summary of soil and groundwater investigation activities at 1800 San Pablo Avenue. The objective is to obtain analytical data to assist the City in characterizing the soil and groundwater that may be encountered during upcoming excavation activities.

In April of 2012, analytical results from soil and groundwater samples collected at the property indicated that portions of the site contain diesel affected soil and groundwater; typically waste containing Total Petroleum Hydrocarbons (TPH) and related compounds is classified as a class 2 waste.

A shallow soil sample collected from one soil boring contained elevated concentrations of total lead and exceeded the Soluble Threshold Limit Concentration (STLC) threshold for California hazardous waste.

The City would reduce the price of the land by the cost of hazardous materials remediation. It is anticipated that the existing contamination on the site will be remediated during the excavation for the proposed project. Probable hazardous materials remediation costs for the site have been estimated taking into consideration the possibility of reusing a portion of the existing Class II soil at another site. These calculations are based on certain transportation and disposal costs, which are subject to change. Two possible scenarios are as follows:

**Scenario 1:** If 90% of the impacted soil goes as Class 2 waste to a nearby landfill (at \$30.25 per ton for transportation and disposal), the cost will be \$1,641,567. In the event that remaining 10%

are disposed of as non-RCRA Class 1 waste (\$120 per ton for transportation and disposal), this would cost an additional \$723,556 for a total of **\$2,365,122**.

**Scenario 2:** If 55% of the impacted soil goes as Class 2 waste to a nearby Landfill (at \$30.25 per ton transportation and disposal), the cost would be \$1,003,180. If the next 35% could be reused at another site at \$15 per ton for transportation, this would cost \$316,556. Lastly, if the remaining 10% of the soil are disposed of as non-RCRA Class I waste (\$120 per ton for transportation and disposal), this would cost an additional \$723,556 for a total of **\$2,043,291**.

***(G) A description of the property’s potential for transit-oriented development and the advancement of the planning objectives of the successor agency.***

Located west of the Uptown Transit Center, the site is served by both Bay Area Rapid Transit (BART 12<sup>th</sup> Street – City Center and 19<sup>th</sup> Street Stations) and Alameda/Contra Costa (AC) Transit. BART routes that serve the Project area include the Richmond/Daly City-Millbrae, Fremont/Richmond, and Pittsburg/Bay Point-San Francisco Airport/Millbrae lines. AC Transit routes that serve the area include the 1, 1R, 11, 12, 18, 51A, 58L, 72, 72M, 72R, 800, 802, 805, 851, and NL lines. The parcel is zoned for high density – housing, office or retail. The proposal for the site is three stories of retail and entertainment over two basement levels of parking. It is an ideal site for transit-oriented development. The City has encouraged and supported transit-oriented development in the Uptown Area since it first began negotiations over the development of the Uptown Apartments project. Development of this parcel will add to a variety of recently developed housing and commercial projects that are located near public transit.

***(H) A brief history of previous development proposals and activity, including the rental or lease of property.***

The Uptown District was initially envisioned as a retail district with ancillary office and residential uses in the 1980s and 90s. In 1999, the Redevelopment Agency and the City Council approved a shift in the Uptown Retail Strategy. Instead of pursuing the development of a conventional urban shopping center, the City and Redevelopment Agency’s efforts were redirected to focus on a “building-by-building” and “block-by-block” approach, centering on a “Main Street” retail concept.

Toward this goal, the City adopted the Land Use and Transportation Element (“LUTE”) of the General Plan, which contains numerous policies that are consistent with and build on past redevelopment efforts. The objectives and policies of the LUTE call for:

- encouraging 24-hour uses in the area,
- developing surface parking lots and underutilized buildings,
- providing housing and retail uses,
- renovating historic buildings, and
- promoting pedestrian circulation and public transportation usage.

The Uptown area became a prime focus of redevelopment activities under Mayor Jerry Brown’s 10K Housing Initiative. Three of the four blocks just north of the site were developed



as housing during the first phase of the Uptown Apartments project, 665 rental residential units of which 20% or 135 units are affordable to households at 50% of the area medium income. The Uptown Apartments project, as originally envisioned, also included a half acre pocket park, a proposed second phase with another 370 residential condominium units; an 80-unit 100% affordable project, and a 19-story tower with 270 residential condominium units on the 1800 San Pablo parcel, which was going to be developed by the Uptown developer, Forest City, a Forest City affiliate, or another private developer. However, this portion of the project did not come to fruition because of the 2007-09 recession. Consequently, on September 4, 2009, the Redevelopment Agency issued the NODO for the property that called for proposals to provide a low- to mid-rise project, at least 200 public parking spaces, and retail or other commercial use at ground level along San Pablo Avenue. The Redevelopment Agency selected Sunfield Development for the project.

Since the City gained control over all the property, the site has been used for public parking and as a temporary location for the Oakland School for the Arts. Most recently, as stated above, the Redevelopment Agency leased the property to SJAM for operation as a surface parking lot, primarily serving patrons of the Oakland Ice Center, Fox Theater, and nearby entertainment venues and eateries.

***(I) The use or disposition of the property.***

The property is suitable for development per the above discussion. The property has long been planned for a development project, and the planned development project has been identified in the Central District Redevelopment Plan and its Implementation Plan, as well as the City's General Plan. Therefore, the property will be transferred to and retained by the City for future development.

## **C.2. 23rd & Valdez**

This site was purchased by the Redevelopment Agency after it was entitled for a high-rise development with 281 residential units, 10,603 square feet of retail and a combination of 242 public parking spaces and 293 residential parking spaces. These entitlements included two adjacent parcels that were not part of the Agency's purchase. These entitlements were approved on December 7, 2005, at the peak of the housing market.

### ***(A) The date of the acquisition of the property and the value of the property at that time, and an estimate of the current value of the property.***

The site was acquired on April 13, 2010 for \$4,050,000 from Oakland PPD Return LLC. The property had been acquired by Oakland PPD Return LLC for \$3,617,700 on September 18, 2009 in a trustee foreclosure sale. The property value seems to have increased since the purchase because the Agency received an initial offer of \$5,000,000 from an interested developer on April 11, 2012.

### ***(B) The purpose for which the property was acquired.***

The parcel was purchased as an opportunity site to advance the implementation of the Broadway/Valdez Retail Strategy. The Agency was already funding the Broadway/Valdez Retail District Specific Plan to encourage retail development in this area. The area had previously been identified in the Implementation Plan for the Oakland Retail Enhancement Strategy. The Retail Enhancement Strategy had as a primary goal development of "a major comparison goods retail complex in the Upper Broadway Area". The elements needed for the realization of this goal are major retail development projects, continuous ground floor retail on key pedestrian streets, probably 24<sup>th</sup> Street and Valdez Street, enhanced public infrastructure and convenient public parking, which would require public investment to build. The Agency purchased the site for a mixed-use project that would enhance the retail environment and encourage other development, including public parking to be financed and owned by the Agency/City.

### ***(C) Parcel data, including address, lot size, and current zoning in the former agency redevelopment plan or specific, community, or general plan.***

The site is 1.42 acres or 62,066 square feet in area and is made up of two parcels located at 2315 Valdez Street and 2330 Webster Street, respectively, in the Central District Redevelopment Project Area. The site, with two adjacent parcels, is currently entitled for a 281-unit high-rise condominium. These entitlements were approved on December 7, 2005 at the peak of the housing market. The two parcels purchased by the Agency had also previously been entitled for a project without the adjacent properties. These entitlements included two options: 1) a high-rise project with 237 residential units; or 2) a mid-rise option with 202 residential units. Both options included 5,000 square feet of retail and a combination of public and resident parking.

The General Plan designation is Community Commercial and the zoning is CC-2 Community Commercial Zone - 2. The intent of the CC-2 zone is to create, maintain and enhance areas with

a wide range of commercial businesses with direct frontage and access along the City's corridors and commercial areas. Most retail, office and residential uses are allowed up to a Floor Area Ratio of 5.0 or a residential density of one unit per 225 square feet of land. The redevelopment plan for the area reinforces the General Plan and the Five-Year Implementation Plan for the Central District targets the area for the Broadway Corridor Retail Strategy – Site Assembly and Preparation including these two parcels. This was based on the Upper Broadway Strategy prepared by Conley Consulting Group in September 2007. Since 2008, the City has been preparing the Broadway Valdez Specific Plan to guide future development in this area.

***(D) An estimate of the current value of the parcel including, if available, any appraisal information.***

The property was last appraised before the Agency purchased it on April 13, 2010. Per the December 24, 2009 appraisal by Yovino and Young, Inc., the value of the site was \$4,250,000, without considering an existing parking license for 200 spaces on the property. Since one of the major uses planned for the area was public parking to support retail, the parking lease was not considered a negative impact on the price by the Agency. But inclusion of a major parking garage to be bought back by the Agency/City would reduce the sales price for the other uses. Based on offers, the property could be worth as much as \$5,000,000 today.

***(E) An estimate of any lease, rental, or any other revenues generated by the property, and a description of the contractual requirements for the disposition of those funds.***

The property is currently licensed to Douglas Parking for use as a surface parking lot. The parking lot produces \$145,000 per year in net revenue.

Since the property was completely acquired using tax allocation bond proceeds (Central District TA Bond Series 2005 – 50%, Central District TA Bond Series 2009T – 50%), any revenue or disposition proceeds generated by the property are or would be restricted bond proceeds and could only be used for redevelopment purposes consistent with the bond covenants.

***(F) The history of environmental contamination, including designation as a brownfield site, any related environmental studies, and history of any remediation efforts.***

The Agency had two reports prepared for the site, including:

	Number	Street	Parcel Number	Date	Environmental Assessments
1	2330 2315	Webster Valdez	008-0668-009-07 008-0668-004	January 10, 2010	Ninyo & Moore Phase I Environmental Site Assessment
2	2330 2315	Webster Valdez	008-0668-009-07 008-0668-004	March 4, 2010	Ninyo & Moore Phase II Environmental Site Assessment

These reports analyzed the sites for metals, total petroleum hydrocarbons and volatile organic compounds. While most of the samples were either non-detect or below the Regional Water Quality Review Board "Environmental Screening Levels" ("ESL") there were some samples, particularly lead, that were above soil concentration and Code Title ("CACT") 26 Waste

Characterization limits and any soil removed would be considered hazardous waste and would need to be disposed of accordingly. Additional testing is required during construction.

***(G) A description of the property's potential for transit-oriented development and the advancement of the planning objectives of the successor agency.***

The parcel is approximately a quarter mile from the 19<sup>th</sup> Street BART Station and 300 feet from the Broadway and Grand bus corridors. It is also less than 500 feet from the Lake Merritt Office District, one of the major employment centers in Downtown Oakland. The site is zoned for high density – housing, office or retail. It is an ideal site for transit-oriented development.

***(H) A brief history of previous development proposals and activity, including the rental or lease of property.***

This is a recent purchase by the Redevelopment Agency. But it had been one of the sites targeted by Mayor Jerry Brown's 10K Downtown Housing Initiative. The Agency had been working with developers and property owners since 1999 to get this site redeveloped. The property was entitled for several different projects over the last 10 years, see introduction, and was left as surface parking for the nearby office building in the interim.

***(I) The use or disposition of the property.***

The property is suitable for development per the above discussion. The property has long been planned for a development project, and the planned development project has been identified in the Central District Redevelopment Plan and its Implementation plan, as well as the City's General Plan and the community plans and specific plans cited above. Therefore, the property will be transferred to and retained by the City for future development.

### **C.3. City Center Parcel T-5/6**

Commonly referred to as City Center Parcel T-5/6, these three parcels on 11<sup>th</sup> Street do not have address numbers according to county records. The parcels constitute an approximately 1.25 acre irregular site on the west side of the block bounded by Broadway, Clay Street, 11th Street and 12th Street. These parcels surround the entry to the City Center Garage. The parcels are on the last of 15 blocks to be developed in the City Center Activity Area in the Central District Redevelopment Project Area. This Activity Area has been under development primarily as an office park for over 40 years. Major projects have been completed regularly from 1974 (1333 Broadway - a 250,000 square foot office building) to 2011 (City Walk - a 263 unit apartment building). The current proposal is to sell the property at fair market value based on a current appraisal to the Strada Investment Group for the development of a 580,000 square-foot office building with large floor plates.

***(A) The date of the acquisition of the property and the value of the property at that time, and an estimate of the current value of the property.***

The site was acquired from numerous property owners in the 1970's and was reconfigured and excavated to accommodate surrounding development. A portion of the area was transferred to the developer of the City Center Garage and the rest of the block was retained as a development site. The Agency did not maintain a value for this property on its books.

***(B) The purpose for which the property was acquired.***

The site was acquired as part of the City Center Activity Area, a 15 block area that was acquired parcel by parcel by the Redevelopment Agency in the early 1970's. The block was reconfigured to (1) provide access to the parking garage under the adjacent block and the "super dock" loading area for five adjacent office buildings and the Marriott Hotel, and (2) create three parcels that combined with air rights over the garage entry to accommodate a 580,000 square-foot office building.

***(C) Parcel data, including address, lot size, and current zoning in the former agency redevelopment plan or specific, community, or general plan.***

The site includes three parcels surrounding a fourth parcel owned by the adjacent property owner. The fourth parcel provides access to a parking garage and super dock for six surrounding buildings. The three parcels total 54,515 square feet in size and the fourth parcel measures 17,826 square feet.

The General Plan designation is Central Business District and the zoning is CBD-X Central Business District General Commercial Zone. The intent of the CBD-C zone is to create, maintain and enhance areas of the Central Business District appropriate for a wide range of ground-floor office and other commercial activities. Upper-story spaces are intended to be available for a wide range of residential, office or other commercial activities. Most retail, office and residential uses are allowed up to a Floor Area Ratio of 20.0 or a residential density of one unit per 90 square feet of land. The Central District Urban Renewal Plan, the redevelopment

plan for the area, reinforces the General Plan and designates the area as the City Center Area. The development of the property is specifically included in the Five-Year Implementation Plan for the Central District.

***(D) An estimate of the current value of the parcel including, if available, any appraisal information.***

Based on an earlier disposition and development agreement, the value of this land was estimated to be 2/3<sup>rd</sup> of the value of a regular parcel because of the development restrictions for having the garage/super dock entry pass through the site. With a similarly zoned site being appraised at \$90.00 per square foot by licensed City staff, 1800 San Pablo in 2011, a rough estimate of the value would be \$3,270,900 (54,515 square feet \* \$60/square foot).

***(E) An estimate of any lease, rental, or any other revenues generated by the property, and a description of the contractual requirements for the disposition of those funds.***

The property has no active uses on it and is maintained in a park like condition. The property generates no revenue but has approximately \$20,000 in maintenance costs associated with it, utilities (water) and landscaping.

***(F) The history of environmental contamination, including designation as a brownfield site, any related environmental studies, and history of any remediation efforts.***

The site was partially excavated and reconfigured to accommodate the entry to the City Center Garage and Super Dock. The soil was rearranged in this process. The Agency had several reports prepared for the current condition of the site, including:

	Number	Street	Parcel Number	Date	Environmental Assessments
1	City Center Parcel T-5/6	11 <sup>th</sup> Street	002-0097-038 002-0097-039 002-0097-040	April 27, 1992	Woodward-Clyde Consultants Fill Characterization Report
2	City Center Parcel T-5/6	11 <sup>th</sup> Street	002-0097-038 002-0097-039 002-0097-040	June 7, 1993	Woodward-Clyde Consultants Environmental Site Assessment and Fill Characterization Report
3	City Center Parcel T-5/6	11 <sup>th</sup> Street	002-0097-038 002-0097-039 002-0097-040	August 21, 2001	Subsurface Consultants Soil and Groundwater Sampling
4	City Center Parcel T-5/6	11th Street	002-0097-038 002-0097-039 002-0097-040	July 16, 2002	Subsurface Consultants Supplemental Soil and Groundwater Investigation

Except for two samples along 12<sup>th</sup> Street near Clay Street and two samples near 11<sup>th</sup> Street and Clay Street, including 24 other sampling sites, the fill from the site will not likely exceed TTLC and STLC waste criteria and therefore can likely be disposed of as non-hazardous waste. The other four samples contain elevated soluble lead concentrations and will be subject to handling and disposal as a California hazardous waste. Additional analysis for soluble lead using the TCLP method is needed to confirm the soil is not a RCRA hazardous waste.

***(G) A description of the property’s potential for transit-oriented development and the advancement of the planning objectives of the successor agency.***

The parcel is approximately 300 feet from the 12<sup>th</sup> Street BART Station and is zoned for high density – housing, office or retail. The proposal for the site is for a mid-rise building of 10 stories of office over ground floor retail and two basement levels of parking. It is an ideal site for transit-oriented development.

***(H) A brief history of previous development proposals and activity, including the rental or lease of property.***

The site was purchased as part of the City Center Project and has been under contract for development for most of the last 42 years. The Disposition and Development Agreement – Oakland City Center Project with Grubb and Ellis Development Company (“DDA”) initially covered the six blocks between Broadway, Clay Street, 11<sup>th</sup> Street and 14<sup>th</sup> Street and was later amended to cover additional parcels. Eight buildings were completed on the other portions of the original six-block area between 1974 and 1990. A number of other developers were assigned the DDA and built phases of the project, including Bramalea Pacific Inc. and Shorenstein Realty Investors III. With the recent collapse of the real estate market, Shorenstein suspended construction on a 500,000 square-foot office tower and terminated the DDA for T5/6.

The block the site is on was reconfigured to create: 1) a parcel that provides access to a parking garage under the adjacent block and the “super dock” loading area for five adjacent office buildings and the Marriott Hotel; and 2) three parcels that combined with air rights over the garage entry would accommodate a 580,000 square foot large floor plate office building.

***(I) The use or disposition of the property.***

The property is suitable for development per the above discussion. The property has long been planned for a development project, and the planned development project has been identified in the Central District Redevelopment Plan and its Implementation Plan, as well as the City’s General Plan. Therefore, the property will be transferred to and retained by the City for future development.

#### C.4. Uptown Parcel 4

Parcel 4 of the Uptown Project is located at 1911 Telegraph Avenue . It was originally to be included in the Uptown project. The property is approximately 1.04 acres in size and is located on the east side of the block bounded by Telegraph Avenue, 19<sup>th</sup> Street, Rashida Muhammad Street, and William Street in the Central District Redevelopment Project Area in downtown Oakland.

According to the public review draft of the Uptown Mixed-Use Project Environmental Impact Report in published in September 2003, the property would contain up to 225 residential units and 14,500 square feet of retail space on the ground floor (“Proposed EIR Project”).

***(A) The date of the acquisition of the property and the value of the property at that time, and an estimate of the current value of the property.***

The property was formerly a part of a large parcel (Old APN: 008-0643-001-01, measuring 132,874 sf) owned by Sears Development Company (“Sears”). The Redevelopment Agency acquired this parcel from Sears on October 18, 2005, as part of the site assembly for the Uptown Project. The Agency’s payment to Sears consisted of a combination of cash and non-cash consideration for a total purchase price value equal to \$12.5 million, including the following elements:

1. **Cash** - \$9,700,000
2. **Two Properties located at 2016 Telegraph Avenue and 490 Thomas L. Berkeley Way** valued at \$1,600,000 for relocation of an existing Sears Auto Center.
3. **Leaseback of an existing Sears Auto Center to Sears** - The Agency leased back to Sears for 24 months that portion of the original Sears property that was occupied by the Sears Auto Center and related parking to give Sears time to build its new Auto Center. The cash value of this lease-back arrangement is \$240,000.
4. **Sears’ Employee Parking Spaces** - Sears, at no cost, has the right to 50 non-exclusive parking spaces in the garage located at 2101 Telegraph for the earlier of 25 years or until Sears no longer operates its department store. The value of the Parking License is estimated to be approximately \$960,000.

After the Agency purchased the land from Sears, it was subdivided into three smaller parcels separated by a street, one of which is the property (measuring 45,121 sf), one being Henry J. Kaiser Memorial Park, a public park, which is owned by the City, and the last being a development parcel that was ground leased to Forest City for development. The property’s current parcel number is 008-0716-058. The property’s proportional share of the purchase price was equal to \$4,244,716.



The property was transferred to the City by the Redevelopment Agency on January 31, 2012, pursuant to a Purchase and Sale Agreement between the City and the Agency entered into on March 3, 2011.

The current value of the property is approximately \$4.5 million or \$100 per square foot based on its great location and size.

***(B) The purpose for which the property was acquired.***

The property was acquired for the implementation of the Uptown redevelopment project, which includes the Uptown Apartments project with 665 rental residential units, Henry J. Kaiser Memorial Park, and an 80-unit 100% affordable project.

On September 12, 2006, the Redevelopment Agency entered into a Disposition and Development Agreement (“DDA”) with FC Uptown Parcel 4, LLC, a Forest City-affiliated entity, which set forth the terms and conditions pursuant to which the developer could purchase and develop the property. The developer intended to purchase the property for development into a market-rate rental and/or condominium residential project with at least 120 units, a minimum of 0.85 parking spaces per residential unit, and approximately 20,000 square feet of retail space. However, due to the economic recession of 2007-2009, the developer unilaterally decided to allow the contract to expire and did not proceed with the project.

Since the completion of surrounding projects, the property was maintained as a vacant parcel until recently, when the community decided to support the implementation of a temporary art park with rotating sculptures and art pieces. The project site is still intended for its original plan and plans to seek an interested developer would commence as soon as it is possible.

***(C) Parcel data, including address, lot size, and current zoning in the former agency redevelopment plan or specific, community, or general plan.***

The property address is 1911 Telegraph Avenue and its parcel number is 008-0716-058-00. According to the Alameda County records, this parcel is 1.04 acres in size or 45,121 square feet.

The General Plan designation for the Property is Central Business District and the zoning is CBD-R Central Business District Residential Zone. The intent of the CBD-R zone is to create, maintain, and enhance areas of the Central Business District appropriate for residential development with small-scaled compatible ground-level commercial uses. The zoning of CBD also intends to:

1. Encourage, support, and enhance the Central Business District as a high density, mixed use urban center of regional importance and a primary hub for business, communications, office, government, urban residential activities, technology, retail, entertainment, and transportation.
2. Encourage, support, and enhance a mix of large-scale offices, commercial, urban high-rise residential, institutional, open space, cultural, educational, arts, entertainment, services, community facilities, and visitor uses.

3. Enhance the skyline and encourage well-designed, visually interesting, and varied buildings.
4. Encourage and enhance a pedestrian-oriented streetscape.
5. Encourage vital retail nodes that provide services, restaurants, and shopping opportunities for employees, residents, and visitors.
6. Preserve and enhance distinct neighborhoods in the Central Business District.

The Central District Urban Renewal Plan, the redevelopment plan for the area, reinforces the General Plan and designates the area as the Uptown Activity Area. The proposed development of the property into a mixed-use development meets several objectives and purposes of the Central District Urban Renewal Plan, including 1) re-establishment of residential areas for all economic levels within specific portions of the Project Area; and 2) improved environmental design within the Project Area, including creation of a definite sense of place, clear gateways, emphatic focal points and physical design. In addition, the proposed project is identified specifically in the Five-Year Implementation Plan for the Central District, Commercial Development Section.

***(D) An estimate of the current value of the parcel including, if available, any appraisal information.***

The last appraisal prepared for the site was prepared on February 2, 2006 by a State of California Certified General Real Estate Appraiser working for Yovino Young, Inc. At that time, which was at the height of the housing boom in California, the value of the property based on a 45,119 square foot lot calculation was \$6,900,000 (or \$153 per square foot) if it was sold in its “as-is” condition and developed to its highest and best use as a mixed-use residential project. The current value of the property is approximately \$4.5 million or \$100 per square foot based on its location and size.

***(E) An estimate of any lease, rental, or any other revenues generated by the property, and a description of the contractual requirements for the disposition of those funds.***

Since the acquisition of the property, no revenues or rents have been generated by the property. The City occasionally enters into temporary right of entries for the use of the property for special events sponsored by the City but does not receive any compensation in this regard.

Since the property was mostly acquired using tax allocation bond proceeds (Central District 2003 TE Bonds, Central District 2005 TE Bonds and Central District 2006T Bonds - 83%, various unrestricted - 17%), any revenue or disposition proceeds generated by the property are or would be restricted bond proceeds and could only be used for redevelopment purposes consistent with the bond covenants and federal tax laws.

***(F) The history of environmental contamination, including designation as a brownfield site, any related environmental studies, and history of any remediation efforts.***

The table below summarizes all of the studies completed on soil or groundwater issues on this site.

<b>Date</b>	<b>Author</b>	<b>Title</b>	<b>Details</b>
1991	Woodward-Clyde Consultant		ESA Phase 1, 2
April 2001	Chaney, Walton & McCall, LLC	Shallow Groundwater Monitoring and Assessment - Uptown Theater District (Oakland, CA)	Site Description, Field Investigation, Lab Analyses and Findings
April 2004	Fugro West, Inc.	Sampling and Analysis Plan – Uptown Project Area (Oakland, CA)	
August 10, 2004	URS Corporation	2004 Second Quarter Groundwater Monitoring, Former Sears Retail Center #1039, 1901-1911 Telegraph Avenue, Oakland, CA.	Case ID #STID1630 for Sears Roebuck & Co.
December 3, 2004	Matrix Environmental Services, LLC	Final Environmental Due Diligence Review for the Oakland Uptown Mixed Use Site (Revised)	
February 2005	California Regional Quality Control Board, SF Bay Region (RWQCB)	Interim Final. Screening for Environmental Concerns at Sites with Contaminated Soil and Groundwater.	
May 23, 2005	Treadwell & Rollo	Remedial Action Plan/Risk Management Plan, Parcels 1 Through 4, Oakland Uptown Mixed Use Site, Oakland, California	
July 2005	Fugro West, Inc.	Site Assessment Report – Uptown Project Area (Oakland, CA)	Project Description, Historical site use and recognized environmental condition, Site assessment activities, Subsurface conditions for Parcel 4, Results of Chemical Analysis (Soil, groundwater, soil-gas), Results of Analyses and Waste characterization.
February 15, 2006	LFR, Inc.	Revised Detailed Implementation Plan for Groundwater Remediation Beneath Parcel 4, Uptown Oakland Development Site, Oakland, Alameda County, California	
April 28, 2006	LFR, Inc.	Quarterly Groundwater Monitoring Report, First Quarter of 2006, January 1 to March 31, Forest City Oakland Uptown Development, Oakland, California	
August 26, 2006	California Regional Water Quality Control Board	No Further Action for Petroleum Hydrocarbon-Affected Soil at Parcels 4 and 5 of the Uptown Oakland Mixed Use Development Site located at the Northeast Corner of 19th Street and San Pablo Avenue, Oakland, Alameda County	Letter confirms completion of hydrocarbon-affected soil investigation and remediation activities at 1911 Telegraph Avenue. No further action required for pollutant releases at the site.
November 8, 2007	LFR, Inc.	Remedial Activities Completion Report and Request for No Further Action Parcels 4 and 5, Oakland Uptown Mixed Use Site Oakland, California	Request for No Further Action letter
November 21, 2007	California Regional Water Quality Control Board	No further Action for Soils at Parcels 4 and 5 at the Oakland Uptown Mixed-Use Development Site at the Northwest corner of 19 <sup>th</sup> Street and Telegraph Avenue,	Letter confirms completion of soil investigation and remediation activities at 1911 Telegraph Avenue. No further

		Oakland, Alameda County	action required for pollutant releases at the site.
March 11, 2010	California Regional Water Quality Control Board	No Further Action for soil and groundwater at the Oakland Uptown Mixed Use Development located at the Northeast Corner of 19th Street and San Pablo Avenue, Oakland, Alameda County	The No Further Action letter was issued for the whole Uptown site but included the Property.

At this time, the California Regional Water Quality Control has issued No Further Action letters for all soil and groundwater at the Property. As a result, it is anticipated that no remediation efforts will have to take place at the Property as part of any future development.

***(G) A description of the property’s potential for transit-oriented development and the advancement of the planning objectives of the successor agency.***

Located west of the Uptown Transit Center, the site is served by both Bay Area Rapid Transit (BART 12<sup>th</sup> Street – City Center and 19<sup>th</sup> Street Stations) and Alameda/Contra Costa (AC) Transit. BART routes that serve the Property area include the Richmond/Daly City-Millbrae, Fremont/Richmond, and Pittsburg/Bay Point-San Francisco Airport/Millbrae lines. AC Transit routes that serve the area include the 1, 1R, 11, 12, 18, 51A, 58L, 72, 72M, 72R, 800, 802, 805, 851, and NL lines.

The parcel is zoned for residential use. It is an ideal site for transit-oriented development because of its proximity to various modes of public transportation. The City has encouraged and supported transit-oriented development in the Uptown Area since it first began negotiations over the development of the Uptown Apartments project. As a result, it is the City’s intention to develop the Property as a transit-oriented project with an emphasis on retail. The City has received interest from developers to integrate the site into a larger retail development for the area. If this project does not come to fruition, the City will issue a RFP for development of the site.

***(H) A brief history of previous development proposals and activity, including the rental or lease of property.***

The property was acquired for the implementation of the Uptown redevelopment project. It was designated for development of a mixed-use residential project by Forest City.

On September 12, 2006, the Redevelopment Agency entered into a Disposition and Development Agreement (“DDA”) with FC Uptown Parcel 4, LLC, a Forest City-affiliated entity, which set forth the terms and conditions pursuant to which the developer could purchase and develop the property. The developer intended to purchase the property for development into a market-rate rental and/or condominium residential project with at least 120 units, a minimum of 0.85 parking spaces per residential unit, and approximately 20,000 square feet of retail space. However, due to the economic recession of 2007-2009, the developer unilaterally decided to allow the contract to expire and did not proceed with the project.

Since the completion of surrounding projects, the property was maintained as a vacant parcel until recently, when the community decided to support the implementation of a temporary art park with rotating sculptures and art pieces. The project site is still intended for its original plan and plans to seek an interested developer would commence as soon as it is possible.

In February of 2011, the Redevelopment Agency accepted a grant from the National Endowment for the Arts to create a temporary art installations on the property to activate the vacant parcel space, enhance the appearance of the district, attract more visitors to the area, and create more interest in the site for development until such time that a suitable developer for the site can be identified. The Art Park opened in April of 2013.

***(I) The use or disposition of the property.***

The property is suitable for development per the above discussion. The property has long been planned for a development project, and the planned development project has been identified in the Central District Redevelopment Plan and its Implementation Plan, as well as the City's General Plan. Therefore, the property will be transferred to and retained by the City for future development.

### **C.5. Telegraph Plaza Public Parking Garage**

Telegraph Plaza Garage at 2100 Telegraph Avenue is an approximately 74,000 square foot (1.76 acre) parcel containing a two level 351-space public parking structure. A portion of the property contains an underground easement, owned by Bay Area Rapid Transit (BART), for the BART subway tunnel. The site is located at the northeast corner of 21st Street and Telegraph Avenue in downtown Oakland. On July 9, 2009, the Redevelopment Agency purchased the site from the City for the purpose of redeveloping the property

***(A) The date of the acquisition of the property and the value of the property at that time, and an estimate of the current value of the property.***

The Redevelopment Agency purchased the parcel from the City on July 9, 2009 for \$7,000,000.

***(B) The purpose for which the property was acquired.***

The property was acquired for future redevelopment.

***(C) Parcel data, including address, lot size, and current zoning in the former agency redevelopment plan or specific, community, or general plan.***

The property address is 2100 Telegraph Avenue (APN: 008-0648-016-03). The parcel is approximately 74,000 square feet or 1.76 acre in size. The General Plan designation is Central Business District and the Zoning is CBD-P: Central Business District Pedestrian Retail Commercial Zone. The intent of the CBD-P zone is to create, maintain, and enhance areas of the Central Business District for ground-level, pedestrian-oriented, active storefront uses. Upper story spaces are intended to be available for a wide range of office and residential activities. The redevelopment plan for the area reinforces the General Plan and designates the area as the Uptown Activity Area.

***(D) An estimate of the current value of the parcel including, if available, any appraisal information.***

The last appraisal for the site was prepared on October 10, 2008 by valuation consultant Yovino Young Incorporated. At that time the value was estimated to be \$7,000,000 for the entire site.

***(E) An estimate of any lease, rental, or any other revenues generated by the property, and a description of the contractual requirements for the disposition of those funds.***

The Telegraph Plaza Garage is managed by Douglas Parking. The parking revenue generated during FY11-12 was \$428,000.

Since the property was acquired using tax allocation bond proceeds (100% Central District 2009 T Bonds), any revenue or disposition proceeds generated by the property are or would be restricted bond proceeds and could only be used for redevelopment purposes consistent with the bond covenants.

***(F) The history of environmental contamination, including designation as a brownfield site, any related environmental studies, and history of any remediation efforts.***

The table below summarizes all of the studies completed on soil or groundwater issues on this site.

<b>Date</b>	<b>Author</b>	<b>Title</b>	<b>Details</b>
2004	Fugro West, Inc.	Soil and Groundwater Sampling	Evaluation of potential presence of contaminants in near-surface soil and groundwater prior to possible acquisition of the property.
2005	Fugro West, Inc.	Additional Soil and Groundwater Sampling	Further investigation of near-surface soil and groundwater on site.
2007	Fugro West, Inc.	Phase I Environmental Site Assessment (ESA)	Site assessment to identify potential recognized and historical recognized environmental concerns associated with the past and/or present use, generation, storage, or disposal of hazardous materials and/or wastes at the Site, and at nearby properties judged to have a potential to affect the Site.

Soil and groundwater analyses completed at the property indicated that, with the exception of one location sampled, the highest detected lead concentration did not exceed the Environmental Screening Level (ESL) for a residential scenario established by the San Francisco Regional Water Quality Control Board (RWQCB). A shallow soil sample in one location detected lead concentrations that were higher than the residential ESL levels but less than the commercial/construction worker ESL levels.

Additionally, detected Total Petroleum Hydrocarbons (TPH) (as gasoline and diesel) in the soil sample exceeded the residential ESL but were less than the commercial ESL. Similarly, TPHg (gasoline) and TPHd (diesel) concentrations in the groundwater exceeded the drinking water ESL, as well as the odor/ceiling value ESLs. However no drinking water wells currently exist and none are anticipated for the site.

The Fugro West, Inc. analysis concluded that considering the planned commercial use of the site at the time, detected total lead and TPH concentrations in soil as well as TPH concentrations in groundwater did not pose a significant threat to human health or the environment through either contact or an indoor air inhalation pathway.

The Phase I Environmental Site Assessment (ESA) notes that the site was formerly occupied by a gasoline station from as early as 1943 to as late as 1962. The former gasoline station, which was located on the southwestern portion of the site at the northeast corner of Telegraph Avenue

and 21st Street, does not appear on environmental databases researched during for the assessment. Additionally, the consultant found no evidence that the Underground Storage Tanks (USTs) associated with the former gasoline station had been removed, or that there has ever been a subsurface investigation to see if the USTs, the product lines, or fuel dispensers have impacted the underlying soil or groundwater. Further investigation is recommended if the site is to be redeveloped.

***(G) A description of the property's potential for transit-oriented development and the advancement of the planning objectives of the successor agency.***

Located east of the Uptown Transit Center, the site is served by both Bay Area Regional Transit (BART 19<sup>th</sup> Street Station) and Alameda/Contra Costa (AC) Transit. BART routes that serve the Project area include the Richmond/Daly City-Millbrae, Fremont/Richmond, and Pittsburg/Bay Point-San Francisco Airport/Millbrae lines. AC Transit routes that serve the area include the 1 and 1R lines. The parcel is zoned for high density – housing, office or retail. The vision for the site includes a mixed use development with office or housing over retail and parking. It is an ideal site for transit-oriented development. The Agency has encouraged and supported transit-oriented development in the Uptown Area for several years. Development of this parcel will add to a variety of recently developed housing and commercial projects that are located near public transit.

***(H) A brief history of previous development proposals and activity, including the rental or lease of property.***

In 2005 the Redevelopment Agency began discussions regarding an Exclusive Negotiating Agreement (ENA) with the Hahn Family to study the feasibility of a mixed-use housing and retail development project that included the Telegraph Plaza garage parcel and the adjacent parcel owned by the Hahn Family and a portion of the street right-of-way along 22<sup>nd</sup> Street to be vacated by the City. The project did not move forward and the ENA expired.

In 2007, the Redevelopment Agency signed a “Settlement Agreement and Release” related to an eminent domain action wherein the Agency acquired a parcel owned by the Hahn Family for the Uptown Housing project. In exchange for the parcel, part of the settlement included giving exclusive development rights to the Hahn Family to develop the city-owned 2100 Telegraph Avenue parcel adjacent to the Hahn Family-owned parcel at 22<sup>nd</sup> and Telegraph.

Accordingly, in 2008, the Redevelopment Agency entered into an ENA with the Hahn Family and Avant Housing, LLC to redevelop 2100 Telegraph and the adjacent properties owned by the Hahn Family. The developer proposed a mixed-use project consisting of up to 309 residential condominiums, or office space, with associated parking, up to 42,800 square feet of neighborhood serving retail/commercial space with associated parking, a 150-room hotel with associated parking and a 670-space public parking garage. The downturn in the regional commercial real estate markets and the nation's credit crisis made it infeasible to start a mixed-use project at the Property and the ENA expired. At this time, the Agency has not identified a developer or a specific project for the property.



With the thought of a joint project with the Hahn Family, including significant new public parking to replace the parking eliminated for the Uptown Project, the Redevelopment Agency purchased the site from the City on July 9, 2009. The Agency continues to plan with the Hahn Family and other neighboring property owners for the redevelopment of the site to support a major retail and entertainment project in the area.

***(I) The use or disposition of the property.***

As a property currently used by the City as a City-facility for public parking, the property will be retained by the City for the City's governmental use.

## C.6. Foothill & Seminary

Commonly referred to as Foothill & Seminary or Seminary Point, this property is made up of eleven parcels totaling 1.693 acres bounded by Foothill Boulevard, Seminary and Bancroft Avenues in the Central City East Redevelopment Project Area. The Foothill and Seminary parcels are currently owned by the City of Oakland, and are being held in retention for future development. On September 4, 2009, the Redevelopment Agency issued a Notice of Development Opportunities (“NODO”) to solicit development proposals for this site. The NODO included a preferred alternative for retail development with required parking to be addressed on-site. Through a competitive RFQ/P process, the Agency selected a proposal by Sunfield Development, LLC (“Sunfield”) for the development of a 26,950 square foot new neighborhood-serving retail center with an allowance for approximately 73 on-site parking spaces. On November 9, 2010 the Agency entered into an Exclusive Negotiation Agreement (“ENA”) with Sunfield for an initial term of 12 months and a subsequent three-month provisional extension. On October 19, 2010, the City of Oakland Planning Commission approved design review, CEQA entitlements and Conditions of Approval for the project. Since that time, the Agency and City have continued to work with the developer and contracted for a reuse land value analysis undertaken by Keyser Marston Associates, Inc. (“KMA”). KMA concluded that based on a financial feasibility assessment of the project as proposed could not support a land value of more than \$6,000. Pursuant to a Purchase and Sale Agreement entered into on March 3, 2011, the property was transferred by the Agency to the City on January 31, 2012. On July 17, 2012, the Oakland Redevelopment Successor Agency (“ORSA”) approved Resolution No. 2012-0004 authorizing ORSA to enter into a Disposition and Development Agreement with the City of Oakland and Sunfield Development for the sale of the property for the stated reuse value for redevelopment of the property as proposed. This action was approved by the Oakland Oversight Board on August 20, 2012, and December 12, 2012.

***(A) The date of the acquisition of the property and the value of the property at that time, and an estimate of the current value of the property.***

**Foothill and Seminary (Seminary Point)**

	Number	Street	Parcel Number	Date of Purchase	Purchase Price		Current Value*	Area
1	5844	Bancroft Avenue	038-3182-005	7/30/2010	\$245,000	a	\$97,140	3,238
2	5803	Foothill Blvd.	038-3182-020	4/10/2009	\$1,100,000	a	\$1,285,320	18,127
3	5805	Foothill Blvd.	038-3182-021	4/11/2009	part of 2 above	a		2,324
4		Foothill Blvd.	038-3182-022	4/12/2009	part of 2 above	a		6,638
5	5833	Foothill Blvd.	038-3182-023	4/13/2009	part of 2 above	a		15,755
6	5835	Foothill Blvd.	038-3182-024	10/8/2009	\$440,000	a	\$76,650	2,555
7	5847	Foothill Blvd.	038-3182-025	7/21/2009	\$680,000	a	\$180,780	3,773
8	5851	Foothill Blvd.	038-3182-026	7/21/2009	part of 7 above	a		2,253
9	5859	Foothill Blvd.	038-3182-001	11/4/2008	\$480,000	a	\$84,810	2,827
10	2521	Seminary Avenue	038-3182-002	9/26/2008	\$1,450,000	a	\$457,680	6,276
11	2529	Seminary Avenue	038-3182-003	9/26/2008	part of 10 above	a		9,580
Total					\$4,395,000		\$2,182,380	73,346

- a Purchased by the Oakland Redevelopment Agency from private property owners at FMV on date of purchase indicated and transferred to City on January 31, 2012 pursuant to a Purchase and Sale Agreement entered on March 3, 2011. Agency purchase price included FMV for land and improvements where applicable. Purchase price excludes closing costs, environmental site assessments and demolition costs. \*Current value based on \$30 sf for existing vacant land.

***(B) The purpose for which the property was acquired.***

The above eleven parcels were acquired by the Redevelopment Agency to help achieve redevelopment purposes of the Central City East Redevelopment Project Redevelopment Plan, namely the elimination of blight and blighting influences on the surrounding community. The Agency utilized taxable tax allocation bonds to acquire both vacant and underutilized property for the purpose of helping to facilitate putting these parcels back into productive reuse and to serve as a catalyst for additional public private partnership efforts by leveraging additional private investment to the benefit of the surrounding neighborhood and City as a whole. The disposition and development plan for the property includes the construction of a new 27,000 square foot neighborhood-serving retail center featuring a 14,250 square foot Walgreen's store as an anchor tenant along with additional smaller retail tenants.

***(C) Parcel data, including address, lot size, and current zoning in the former agency redevelopment plan or specific, community, or general plan.***

The eleven parcels referenced above have been reverted to acreage as Parcel 1 of Parcel Map No. 10030. The parcel is 73,346 square feet or 1.68 acres. The General Plan designation is Commercial and the Zoning is Neighborhood Commercial, CN-3. The intent of the CN-3 zone is to create, improve, and enhance area neighborhood commercial centers that have a compact, vibrant pedestrian environment. The project as proposed is consistent with the City of Oakland's General Plan, zoning, and the Five-Year Implementation Plan for Central City East, and will not only help to establish a stronger sense of place but also bring in much needed neighborhood retail to the surrounding community. The property lies at the heart of one of the retail nodes identified in the City-wide Retail Strategy. This area is also targeted for major streetscape improvements along Foothill Boulevard and Seminary Avenue currently in design, as well as proposed facade and tenant improvements. This layered investment approach will help to revitalize this very important retail node.

***(D) An estimate of the current value of the parcel including, if available, any appraisal information.***

Six separate FMV appraisals were prepared for each of the six private property ownerships for the eleven parcels. The earliest appraisal was prepared in September 2008 and the last was prepared in July 30, 2010. The Agency's acquisition of each property was based on fair market value appraisals between \$25 per square foot and \$172 per square foot. It is important to note that the Agency's FMV acquisition cost included both land and improvements, where applicable. In addition, the appraisals were prepared by third party MAI appraisers. Based on an average of \$30 per square foot, the property's current value is \$2,182,380, but the fair reuse value in consideration of the intended use and development of the property with the negotiated terms and conditions, is only \$6,000.

***(E) An estimate of any lease, rental, or any other revenues generated by the property, and a description of the contractual requirements for the disposition of those funds.***

The property has not been leased or rented out since either the Agency or City has owned the property. The Agency and City have however expended regular funding to maintain the property to keep it free from the overgrowth of vegetation and trash.

The parcels were individually acquired through multiple transactions using Central City East Tax Allocation Bond Series 2006A-T (Taxable) Bonds Funds. Therefore, any revenue or disposition proceeds generated by the property are or would be restricted bond proceeds and could only be used for redevelopment purposes consistent with the bond covenants.

***(F) The history of environmental contamination, including designation as a brownfield site, any related environmental studies, and history of any remediation efforts.***

The table below summarizes all of the studies completed on soil or groundwater issues on the property.

	Number	Street	Parcel Number	Date	Environmental Assessments
1	5844	Bancroft Avenue	038-3182-005	November 2, 2009	SCA Environmental, Inc. Summary Report: Bulk Asbestos, Lead-Based Paint and Hazardous Materials Survey
				December 28, 2009	Baseline, Phase I Environmental Site Assessment and Hazardous Building Materials Assessment
				September 17, 2010	Baseline, Phase II Environmental Site Assessment
2	5803	Foothill Blvd.	038-3182-020	February 2009	Fugro West Inc., Phase I Environmental Assessment
3	5805	Foothill Blvd.	038-3182-021		
4		Foothill Blvd.	038-3182-022	April 2009	Fugro West Inc., Phase II Environmental Assessment
5	5833	Foothill Blvd.	038-3182-023		
6	5835	Foothill Blvd.	038-3182-024	July 31, 2009	Baseline, Phase I Environmental Site Assessment and Hazardous Building Materials Assessment
7	5847	Foothill Blvd.	038-3182-025	May 8, 2009	Treadwell & Rollo, Phase I Environmental Site Assessment
8	5851	Foothill Blvd.	038-3182-026		
9	5859	Foothill Blvd.	038-3182-001	August 2008	Fugro West Inc., Phase I Environmental Assessment
				September 17, 2010	Baseline, Phase II Environmental Site Assessment
10	2521	Seminary Avenue	038-3182-002	February 16, 2012	Baseline, Phase II Environmental Site Assessment
11	2529	Seminary Avenue	038-3182-003		

In March 2012, the City of Oakland Public Works Agency, Environmental Services Division commissioned a Phase I Environmental Site Assessment Update for all eleven parcels. This report was prepared by Baseline Environmental Consulting through an environmental assessment grant from the EPA. The scope of work for the Phase I ESA Update included: 1) a review of previous environmental investigation reports; 2) a reconnaissance of the project site; and 3) a review of environmental records from federal, state, and local sources.

***(G) A description of the property's potential for transit-oriented development and the advancement of the planning objectives of the successor agency.***

The site is located a neighborhood commercial corridor in a primarily single family detached residential area and is served by Alameda/Contra Costa (AC) Transit with direct connections to Eastmont Transit Hub, and all areas served by Bay Area Rapid Transit via the Coliseum station. AC Transit routes that serve the Foothill / Seminary hub include the 40, 57, 58L, 805, 840 and NX lines. It is an ideal site for transit-oriented development.

***(H) A brief history of previous development proposals and activity, including the rental or lease of property.***

The Foothill and Seminary parcels are located within the Central East sub-area of the Central City East Redevelopment Project Area ("CCE"). In 2008, the CCE Project Area Committee ("PAC") embarked upon a Strategic Plan which helped to identify Livable Community Priorities for each of the four sub areas within the CCE Project Area. The three top priorities within the Central East sub area included 1) the need for streetscape improvements in and around key retail nodes; 2) increasing efforts to retain existing businesses and attract new businesses; and 3) increase public / private investment in and around key retail nodes. On September 4, 2009, the Redevelopment Agency issued a Notice of Development Opportunity ("NODO") for ten opportunity sites through out the City of Oakland. This included the Foothill and Seminary parcels. The goals for the Foothill and Seminary parcels included two alternatives. Alternative A included retail development with on-site parking. The other alternative called for a mixed use development of senior housing over ground floor retail with on-site parking. Through a competitive RFQ/RFP process, overall return benefit analysis of the four submittals received, and consistency with the City-wide retail needs analysis, the Agency selected Sunfield Development for the development of Alternative A, retail development with on-site parking. Five of the eleven parcels which the Agency acquired were vacant. All of the remaining six parcels had a combination of one and two story improvements. Because the Agency wanted to be able to combine the parcels and make them ready for development, the Agency performed Phase I and Phase II environmental assessments, asbestos abatement, and demolition of all above ground structures, including foundations. Because the individual parcels were not acquired all at once but over a period of several years, the property was never leased.

***(I) The use or disposition of the property.***

The property is suitable for development per the above discussion. The property has long been planned for a development project, and the planned development project has been identified in the Central City East Redevelopment Plan and its Implementation Plan, as well as the City's General Plan. Therefore, the property will be transferred to and retained by the City for future development.

### C.7. 73<sup>rd</sup> Avenue & Foothill Boulevard

Commonly referred to as 73<sup>rd</sup> & Foothill or the Eastmont Parcel, this 1.22 acre corner, triangular shaped parcel is bounded by 73<sup>rd</sup> Avenue and Foothill Boulevard and adjacent to the Eastmont Town Center in the Central City East Redevelopment Project Area. The property is owned by the City and is being held in retention for future development.

***(A) The date of the acquisition of the property and the value of the property at that time, and an estimate of the current value of the property.***

**73<sup>rd</sup> & Foothill (Eastmont Parcel)**

	Number	Street	Parcel Number	Year of Purchase	Purchase Price	Current Value*	Area
1	TBD	73rd Avenue	039-3291-020	2008	\$2,340,000 a	\$1.6M	53,143

- a Purchased by the Oakland Redevelopment Agency from private property owners at FMV on date of purchase indicated and transferred to City on January 31, 2012 pursuant to a Purchase and Sale Agreement entered on March 3, 2011. Agency purchase price included FMV for land and improvements where applicable. Purchase price excludes closing costs, environmental site assessments and demolition costs. \*Current value based on \$30 sf for existing vacant land.

***(B) The purpose for which the property was acquired.***

The property was acquired by the Redevelopment Agency to help achieve redevelopment purposes of the Central City East Redevelopment Project Redevelopment Plan, namely the elimination of blight and blighting influences on the surrounding community. The Agency utilized taxable tax allocation bonds to acquire the property to facilitate putting it back into productive reuse.

Pursuant to a Purchase and Sale Agreement entered into on March 3, 2011, the property was transferred by the Agency to the City on January 31, 2012. Since this time, the City has received interest from various developers with proposals ranging from local family sit-down restaurants, to national pharmacy chains and banking institutions.

The City is most interested in maximizing the highest and best use for this commercial site since it is ideally situated to complement the other retail uses currently located at the Eastmont Town Center. The parcel is located at the major intersection and gateway of Foothill and 73<sup>rd</sup> Avenues and is used as a major arterial thoroughfare from the I-580 freeway to the Oakland International Airport which is only minutes away.

***(C) Parcel data, including address, lot size, and current zoning in the former agency redevelopment plan or specific, community, or general plan.***

The parcel had not yet been assigned a property address but has a metes and bounds legal description. The Assessor's Parcel Number is 039-3291-020 and is 53,160 square feet or 1.22 acres. The General Plan designation is Commercial and the zoning is Neighborhood Commercial, CC-1. The CC-1 zone is intended to create, maintain, and enhance shopping centers and malls with a wide range of consumer businesses. The addition of retail bank branch is consistent with the City of Oakland's General Plan, Zoning, and the Five-Year Implementation

Plan for Central City East , and will not only help to establish a stronger sense of place but also bring in much needed banking and financial services to the surrounding community.

The property also lies at the heart of one of the retail nodes identified in the City-wide Retail Strategy. This area is also targeted for major streetscape improvements along MacArthur Boulevard which begins at 73<sup>rd</sup> and extends to the City of Oakland / City of San Leandro boarder. It is the City's hope that the addition of a retail branch bank located on this prominent corner location along with major street scape improvements will help to attract additional private investment in and around this gateway location.

***(D) An estimate of the current value of the parcel including, if available, any appraisal information.***

A third party FMV appraisal was the basis for the Agency's acquisition of the property. It is important to note that the Agency's FMV acquisition cost included both land and improvements. The appraisal was prepared by a third party MAI appraiser. Subsequent to acquiring the property, the Agency performed hazardous materials removal, demolition of all above and below grade structures, backfilled and graded the site for drainage. While the current estimated value of \$1.6 million is based on \$30 per square foot, the value may be considerably less based on a residual land value analysis.

***(E) An estimate of any lease, rental, or any other revenues generated by the property, and a description of the contractual requirements for the disposition of those funds.***

The property has not been leased or rented out since either the Agency or City has owned the property. The Agency and City have however expended regular funding to fence and maintain the property to keep the property free from the overgrowth of vegetation and trash.

The property was acquired using Central City East Tax Allocation Bond Series 2006A- (Taxable) Bonds Funds. Therefore, any revenue or disposition proceeds generated by the property are or would be restricted bond proceeds and could only be used for redevelopment purposes consistent with the bond covenants.

***(F) The history of environmental contamination, including designation as a brownfield site, any related environmental studies, and history of any remediation efforts.***

The table below summarizes all of the studies completed Phase I, Phase II and soil and groundwater sampling on the property.

Number	Street	Parcel Number	Date	Environmental Assessments
1	TBD	73 <sup>rd</sup> Ave & Foothill Blvd	038-3291-020	June 2008 SCA Environmental, Inc. Phase I Environmental Site Assessment
				July 17, 2008 SCA Environmental, Inc. Phase II Soil & Groundwater Sampling Report
				July 29, 2008 SCA Environmental, Inc. Summary Report: Bulk Asbestos, Lead-



	Based Paint and Hazardous Material Survey
June 2, 2010	Test America Laboratories, Inc. Analytical Lab Report for Soils Sampling
September 17, 2010	Baseline, Phase II Environmental Site Assessment
September 21, 2010	Treadwell & Rollo Limited Environmental Site Characterization (Import Soil Analysis)

***(G) A description of the property’s potential for transit-oriented development and the advancement of the planning objectives of the successor agency.***

The site is located on a commercial corridor adjacent to the Alameda/Contra Costa (AC) Transit transfer facility bus plaza at the Eastmont Town Center. The 63,000 square foot transit plaza was completed in 2001 and was designed specifically to facilitate transit operations, improve rider’s safety and experience. The Eastmont’s transit plaza serves as a major transfer hub for the N/NH/NL lines, providing local and commuter express service to San Francisco, plus local East Bay Lines 40, 40L, 43, 57 and 58 – trunk line service carrying thousands of passengers each day between San Leandro, East Oakland, downtown and North Oakland, Emeryville and Berkeley. It is an ideal site for transit-oriented development.

***(H) A brief history of previous development proposals and activity, including the rental or lease of property.***

The 73<sup>rd</sup> & Foothill parcel is located within the Central East sub area of the Central City East Redevelopment Project Area (CCE). In 2008, the CCE Project Area Committee (PAC) embarked upon a Strategic Plan which helped to identify Livable Community Priorities for each of the four sub areas within the CCE Project Area. The three top priorities within the Central East sub area included 1) the need for streetscape improvements in and around key retail nodes; 2) increasing efforts to retain existing businesses and attract new businesses; and 3) increase public / private investment in and around key retail nodes.

On September 4, 2009, the Redevelopment Agency issued a Notice of Development Opportunity (“NODO”) for ten opportunity sites through out the City of Oakland. The NODO included the 73<sup>rd</sup> & Foothill parcel. The NODO included a preferred alternative for the property for development of a mixed-use education center with shared program space for a new public branch library and Peralta Community College District (“PCCD”) satellite campus for Merritt College. The preferred alternative also included senior housing, ground floor retail space and below grade parking.

The Agency received interest from two developers during the NODO process, one from Village Properties for the development of a Walgreen’s and the other from Sunfield Development, LLC (“Sunfield”) for the development of the mixed-use education center program. While the Agency selected Sunfield, after several months of negotiations, the PCCD withdrew

their interest in the proposed project, and the ENA with Sunfield, while authorized, was never executed.

***(I) The use or disposition of the property.***

The property is suitable for development per the above discussion. The property has long been planned for a development project, and the planned development project has been identified in the Central City East Redevelopment Plan and its Implementation Plan, as well as the City's General Plan. Therefore, the property will be transferred to and retained by the City for future development.

## C.8. 36<sup>th</sup> Avenue & Foothill

The 36<sup>th</sup> Avenue/Foothill properties consist of four parcels which are located in the Central City East (“CCE”) Redevelopment Project Area. Two of these parcels front Foothill Boulevard between 35<sup>th</sup> and 36<sup>th</sup> Avenue and two parcels are situated on the corner of 36<sup>th</sup> Avenue and Foothill Boulevard. These sites were assembled as part of a larger vision to address blighted and underutilized properties that were negatively impacting the surrounding neighborhood and straining City’s police and code enforcement resources. Additional investment to help improve the surrounding neighborhood includes a \$5 million Foothill Fruitvale Phase I streetscape project which will improve pedestrian safety with improved ADA access, corner bulb-outs to reduce crosswalk distances, pedestrian lighting and landscaping. Other neighborhood improvements include the \$2 million reconstruction of Cesar Chavez Park.

All four parcels have been cleared of structures, are vacant, and fenced off. The property located at 3614 Foothill Boulevard was a storefront church that was used once a week for services. The property located at 3550 Foothill Boulevard was used for transitional housing. The owners were forced to close down the use of the property and vacate the tenants due to numerous code violations and other crime, health, and safety concerns related to the use of the improperly managed transitional housing. The Redevelopment Agency purchased this property to assemble a larger site for development on the corner of 36<sup>th</sup> Avenue. The other two properties, 3566 and 3600 Foothill Boulevard, were owned by one property owner, Lars Rental. Lars relocated its business along the waterfront in Oakland and had left these properties vacant for sale.

***(A) The date of the acquisition of the property and the value of the property at that time, and an estimate of the current value of the property.***

	Number	Street	Parcel Number	Date of Purchase	Purchase Price	Current Value*	Area
1	3550	Foothill Boulevard	032-2115-038-01	4/27/2011	\$680,000	\$360,000	12,000
2	3566	Foothill Boulevard	032-2115-037-01	8/26/2009	\$1,025,000	\$514,980	6,541
3	3600	Foothill Boulevard	032-2084-051	8/26/2009	“	“	10,625
4	3614	Foothill Boulevard	032-2084-050	1/12/2011	338,000	\$150,000	4,998
							34,164

\*Current value based on \$30 sf for existing vacant land.

***(B) The purpose for which the property was acquired.***

At present, the goal is develop these properties as either a stand-alone retail development or a mixed-used housing development with commercial retail on the ground floor level. The above four parcels were acquired by the Agency to help achieve redevelopment purposes of the Central City East Redevelopment Plan, namely the elimination of blight and blighting influences on the

surrounding community. The Agency utilized taxable tax allocation bonds to acquire both vacant and underutilized property for the purpose of helping to facilitate putting these parcels back into productive reuse and to serve as a catalyst for additional public private partnership efforts by leveraging additional private investment to the benefit of the surrounding neighborhood and City as a whole. The disposition and development plan for the property includes undertaking a Request for Proposal (RFP) to developers to build a mixed use housing and retail development. With a RFP, the City will solicit the best and most feasible development on the site. This would place the property back on the tax rolls and allow for the taxing agencies to receive revenue.

***(C) Parcel data, including address, lot size, and current zoning in the former agency redevelopment plan or specific, community, or general plan.***

Property Address	APN	Square Feet	Zone	General Plan
3550 Foothill Boulevard	032-2115-038-01	12,000	RU-5	Urban Residential
3566 Foothill Boulevard	032-2115-037-01	6,541	RU-5	Urban Residential
Total		<b>18,541</b>		
3600 Foothill Boulevard	032-2084-051	10,625	RU-5	Urban Residential
3614 Foothill Boulevard	032-2084-050	4,998	RU-5	Urban Residential
Total		<b>15,623</b>		

The General Plan designation is Urban Residential and the Zoning is Residential Urban 5, RU-5.

The City of Oakland's Planning Code provides for the description of the RU-5 Urban Residential Zone-5. The intent of the RU-5 zone is to create, maintain, and enhance areas of the City that are appropriate for multi-unit, mid-rise, and high rise residential structures and ground floor neighborhood businesses on the City's major corridors." The properties are also located within the General Plan designation of Urban Residential. Urban Residential classification is intended to create, maintain, and enhance areas of the City that are appropriate for multi-unit, mid-rise, or high rise residential structures in locations with good access to transportation and other services. Mixed used buildings that house ground floor commercial uses and public facilities of compatible character are also encouraged. The development of the property is consistent with the Five-Year Implementation Plan for Central City East

***(D) An estimate of the current value of the parcel including, if available, any appraisal information.***

Four separate Fair Market Value appraisals were prepared for each of the four private properties. The FMV for 3614 Foothill Boulevard was completed by Yovino and Young Inc. with a value of \$370,000. It is important to note that the Agency's FMV acquisition cost included both land and improvements, where applicable. The appraisals were prepared by third party MAI appraisers. The current value of \$1,024,980 is based on \$30 per square foot for vacant land, but the value may be considerably less based on a residual land value analysis.

***(E) An estimate of any lease, rental, or any other revenues generated by the property, and a description of the contractual requirements for the disposition of those funds.***

The property has not been leased or rented out since either the Agency or City has owned the property. The Agency and City have however expended regular funding to maintain the property to keep it free from the overgrowth of vegetation and trash.

The properties were acquired using Central City East Tax Allocation Bond Series 2006A- (Taxable) Bonds Funds. Therefore, any revenue or disposition proceeds generated by the property are or would be restricted bond proceeds and could only be used for redevelopment purposes consistent with the bond covenants.

***(F) The history of environmental contamination, including designation as a brownfield site, any related environmental studies, and history of any remediation efforts.***

The table below summarizes all of the studies completed on soil or groundwater issues on the property.

Property Address	APN	Date	Environmental Assessment
3550 Foothill Boulevard	032-2115-038-01	Feb 2011	Phase I & Building Haz Materials (asbestos, lead paint) survey, Ninyo & Moore, Inc.
3566 Foothill Boulevard	032-2115-037-01	Nov 08- Ph I Feb 09- Ph II	Phase I & Phase II- Northgate Environmental Management, Inc
Total			
3600 Foothill Boulevard	032-2084-051	Nov 08- Ph I Feb 09- Ph II	Phase I & Phase II- Northgate Environmental Management, Inc
3614 Foothill Boulevard	032-2084-050	Aug 2009	Phase I & Building Haz materials (asbestos, lead paint ) survey- Ninyo & Moore, Inc.
Total			

***(G) A description of the property's potential for transit-oriented development and the advancement of the planning objectives of the successor agency.***

The parcels are served by AC Transit bus service along Foothill Blvd with stops located directly in front of the site. The site is located within minutes to the Fruitvale BART Station and Transit Village which is a nationally recognized transit-oriented development. Future development of this site will assist the Fruitvale neighborhood revitalization strategy and will complement the recently completed infrastructure and streetscape improvements along Foothill Blvd between 35<sup>th</sup> Avenue and High Street as well as Cesar Chavez Park improvements.

***(H) A brief history of previous development proposals and activity, including the rental or lease of property.***

The properties have occasionally received interest from a range of developers including affordable housing developers as well as local property owners and the site was temporarily used as a staging area during the recent streetscape improvements but has not been leased on a permanent basis since the Agency or City has owned the parcels.

***(I) The use or disposition of the property.***

The property is suitable for development per the above discussion. The property has long been planned for a development project, and the planned development project has been identified in the Central City East Redevelopment Plan and its Implementation Plan, as well as the City's General Plan. Therefore, the property will be transferred to and retained by the City for future development.

### **C.9. 10451 MacArthurBoulevard**

This property is located at the west side of MacArthur Boulevard mid-block near the intersection of 106<sup>th</sup> Avenue. Foothill Square, a neighborhood shopping center is located approximately one block to the south. The site is level and consists of one vacant parcel encompassing a total of approx. 23,000 square feet. Properties adjacent to the site consist of single-family residential dwellings to the rear and a mix of both residential and commercial uses along MacArthur Boulevard.

***(A) The date of the acquisition of the property and the value of the property at that time, and an estimate of the current value of the property.***

The Redevelopment Agency acquired the vacant parcel from a Coast Capital Ventures in April 2009 for \$737,500 using Central City East Tax Allocation Bond Series 2006A-T (Taxable Bonds). The current value of \$690,000 is based on \$30 per square foot for the existing vacant land but the value may be considerably less based on a residual land value analysis.

***(B) The purpose for which the property was acquired.***

The property was acquired by the Redevelopment Agency to promote development of the site and furthering the goals and objectives for the project area by revitalizing this economically stagnant site. The property is also referenced in the current Central City East Implementation Plan as a future development opportunity site. The highest and best use for the property would be for a market rate residential development or a mixed use project with a residential and retail component on the site. Several other possible uses for the property include strictly retail uses along MacArthur Boulevard or a combination of housing/community/ and medical offices. The site has excellent access to bus service through AC Transit as well as convenient freeway access via the on and off-ramps at Foothill and 106<sup>th</sup> Avenue. The site represents an opportunity to expand the Foothill Square shopping center and create employment opportunities as well as bring needed goods and services to East Oakland residents.

***(C) Parcel data, including address, lot size, and current zoning in the former agency redevelopment plan or specific, community, or general plan.***

The site address is 10451 MacArthur Boulevard (APN: 047-5576-007-03). The lot size is approximately 23,000 square feet with a current zoning designation of CN-3 (Neighborhood Commercial Zone 3). The CN-3 zone is intended to create, maintain, and enhance areas with a wide range of commercial businesses with direct frontage and access along the City's corridors and commercial areas.

***(D) An estimate of the current value of the parcel including, if available, any appraisal information.***

The property was purchased in April 2009 from Coast Capital Ventures for \$737,500 less any site remediation costs, based on two independent appraisals and negotiated at roughly

midpoint between two fair market values. The current estimated value is slightly less than the price paid for the property based on market demand.

***(E) An estimate of any lease, rental, or any other revenues generated by the property, and a description of the contractual requirements for the disposition of those funds.***

Since the property was acquired using Central City East Tax Allocation Series 2006A (Taxable) Bonds Funds, any revenue or disposition proceeds generated by the property are or would be restricted bond proceeds and could only be used for redevelopment purposes consistent with the bond covenants.

The vacant site is not currently being considered for any interim lease or rental purposes.

***(F) The history of environmental contamination, including designation as a brownfield site, any related environmental studies, and history of any remediation efforts.***

A Phase I Environmental Assessment Report was completed by Northgate Environmental Management, Inc., in February 2009. The Phase I recommended a Phase II report due to an auto repair facility adjacent to the parcel and therefore a Phase II was subsequently completed by the same consultant in March 2009. The Phase II found minimal soil contamination at the site and therefore the former agency did not address the soil remediation issue.

***(G) A description of the property's potential for transit-oriented development and the advancement of the planning objectives of the successor agency.***

The property is served by multiple AC Transit bus lines with a bus stop located immediately in front of the property. While the site has excellent access to bus service, as well as convenient freeway access, the site itself is located midway between the Coliseum and San Leandro BART stations.

***(H) A brief history of previous development proposals and activity, including the rental or lease of property.***

The site has received some interest from developers who have looked at a number of different development scenarios ranging from affordable housing to mixed use with housing and ground floor retail.

***(I) The use or disposition of the property.***

The property is suitable for development per the above discussion. The property and potential development has been identified in the Central City East Redevelopment Plan and its Implementation Plan, as well as the City's General Plan. Therefore, the property will be transferred to and retained by the City for future development.



## **C.10. 27<sup>th</sup> & Foothill Boulevard**

The parcels located at 2759 and 2777 Foothill Boulevard were acquired by the Redevelopment Agency for the purpose of removing blight and for creating a new retail commercial development in the Oakland's Fruitvale neighborhood. The parcel at 2777 Foothill Boulevard was a former vacant and privately owned blighted convalescent facility that was public nuisance and source of illegal activities. 2759 Foothill Boulevard was formerly owned by Patten College and is a smaller adjacent parcel that contained a small warehouse space. The Redevelopment Agency acquired the two parcels separately and demolished the former structures in an effort to eliminate the nuisance and prepare the site for a future neighborhood retail development.

***(A) The date of the acquisition of the property and the value of the property at that time, and an estimate of the current value of the property.***

The parcel at 2777 Foothill Boulevard was acquired from an individual property owner in April 2007 for \$1,175,000. The current value of the property is to be determined since the property was originally purchased with land improvements which were later demolished and cleared by the former agency. The parcel located at 2759 Foothill Boulevard was acquired from Patten College in December 2009 for approximately \$240,000. The current value of \$677,000 is based on \$30 per square foot since the property was originally purchased with buildings and associated land improvements which have since been demolished and cleared by the Redevelopment Agency.

***(B) The purpose for which the property was acquired.***

The parcels were acquired by the Redevelopment Agency for blight elimination purposes consistent with the Central City East Redevelopment Plan and Implementation Plan and to further develop and encourage commercial retail activities in the area.

***(C) Parcel data, including address, lot size, and current zoning in the former agency redevelopment plan or specific, community, or general plan.***

The 27<sup>th</sup> and Foothill Boulevard parcels have a combined total land area of approximately 22,581 square feet with approximately 4,626 square feet at 2759 Foothill Boulevard (APN: 025-0733-008-03) and approximately 17,955 square feet at 2777 Foothill Boulevard (APN: 025-0733-008-02). The area is currently zoned RU-5 or Urban Residential Zone 5. The intent of the RU-5 zone is to create, maintain, and enhance areas of the City that are appropriate for multi-unit, mid-rise, and high rise residential structures and ground floor neighborhood businesses on the City's major corridors.

***(D) An estimate of the current value of the parcel including, if available, any appraisal information.***

There are no recent appraisals associated with these parcels. The properties were previously acquired by the Redevelopment Agency with land improvements which have since been demolished. Therefore, any new appraisal would be based on only the land value.

***(E) An estimate of any lease, rental, or any other revenues generated by the property, and a description of the contractual requirements for the disposition of those funds.***

On July 1, 2011, the Redevelopment Agency entered into a one year license agreement with East Bay Wilds (Plant Nursery) for approximately \$600 per month. At the end of the lease term, the agreement automatically went from yearly to month to month.

The properties were acquired using Central City East Tax Allocation Bond Series 2006A- (Taxable) Bonds Funds. Therefore, any revenue or disposition proceeds generated by the property are or would be restricted bond proceeds and could only be used for redevelopment purposes consistent with the bond covenants.

***(F) The history of environmental contamination, including designation as a brownfield site, any related environmental studies, and history of any remediation efforts.***

Both sites underwent a Phase I environmental review. Results of the review led to the demolition of the structure on the property, as well as the environmental removal of all waste products from the demolition. The environmental review was conducted by one of the City of Oakland's on-call consultants, LFR Inc. There were no significant recognized environmental conditions associated with the property during the Phase I Environmental Site Assessment.

***(G) A description of the property's potential for transit-oriented development and the advancement of the planning objectives of the successor agency.***

The parcels are served by AC Transit service along Foothill Boulevard with bus stops located in front of the site. The site is located within a few minutes to the Fruitvale BART Station and Transit Village which is a nationally recognized transit-oriented development. Future development of this site will assist the Fruitvale neighborhood revitalization strategy and will complement the next phase of the planned Foothill/Fruitvale Phase II Streetscape along Foothill Boulevard between Rutherford and 35<sup>th</sup> Avenue.

***(H) A brief history of previous development proposals and activity, including the rental or lease of property.***

The site received some interest in the past from various developers as a commercial site. However, the City plans to issue a new RFP to solicit new proposals from prospective developers to encourage development. There is currently a month to month lease on the site with a local nursery for \$600 per month.

***(I) The use or disposition of the property.***

The property is suitable for development per the above discussion. The property has long been planned for a development project, and the planned development project has been identified in the Central City East Redevelopment Plan and its Implementation Plan. Therefore, the property will be transferred to and retained by the City for future development.

### **C.11. Former Melrose Ford site; Derby Avenue parcel**

This property is comprised of two separate parcels: one parcel at 3050 International includes the entire eastern frontage of International Boulevard between 31<sup>st</sup> Avenue and Derby Avenue; and the second is a parking lot on Derby Avenue, directly across Derby Avenue from the primary parcel. International Boulevard is the primary commercial thoroughfare in the City's Fruitvale District, a thriving Hispanic market area. To the rear of the properties is largely multi-family uses, and uses along International Boulevard are mixed office and retail.

***(A) The date of the acquisition of the property and the value of the property at that time, and an estimate of the current value of the property.***

The Redevelopment Agency acquired the property from a private owner in June 2010 for \$3,259,154, including a \$50,000 credit for environmental remediation. An independent appraisal by J. W. Tom and Associates on September 1, 2009, valued the properties at \$3,400,000. The current estimated value of \$975,000 is based on \$30 per square foot since the previous buildings and improvements have been completely demolished and cleared by the Redevelopment Agency.

***(B) The purpose for which the property was acquired.***

The primary site is located within the Coliseum Redevelopment Project Area and the parking lot is in the Central City East Redevelopment Project Area. The properties were acquired by the Redevelopment Agency to promote development of the site through Disposition and Development Agreements, furthering the established goals and objectives for the project areas by revitalizing this economically stagnant site. A Reuse Feasibility Assessment for the property conducted by Conley Consulting Group in March 2011 identified several possible uses for the property, including one option of retail uses fronting International Boulevard and a second building housing community/medical offices. The site, with excellent access to all modes of transit, including bus, BART, automobile and pedestrian, represents an opportunity to expand the thriving Fruitvale node, create employment opportunities, and bring needed goods and services to East Oakland residents.

***(C) Parcel data, including address, lot size, and current zoning in the former agency redevelopment plan or specific, community, or general plan.***

The primary site address is 3050 International Boulevard (APN: 025-0719-007-01). The lot on Derby Avenue does not have a street address (APN: 025-0720-002-01). Total size is 32,500 square feet, with 23,500 feet on International Boulevard and 9,000 square feet at the Derby Avenue site. Zoning is CC-2 (Community Commercial Zone 2) for the main parcel with maximum building height of 75 feet and RM-4 (Mixed Housing Type Residential Zone 4) for the Derby Avenue lot. The CC-2 zone is intended to create, maintain, and enhance areas with a wide range of commercial businesses with direct frontage and access along the City's corridors and commercial areas. The intent of the RM-4 zone is to create, maintain, and enhance residential areas typically located on or near the City's major arterials and characterized by a mix of single family homes, townhouses, small multi-unit buildings at somewhat higher densities than RM-3,

and neighborhood businesses where appropriate. The development of the property is consistent with the Five-Year Implementation Plans for the Coliseum Project Area and Central City East.

***(D) An estimate of the current value of the parcel including, if available, any appraisal information.***

An independent appraisal by J. W. Tom and Associates on September 1, 2009, valued the property at \$3,400,000. However, the current value of \$975,000 is based on \$30 per square foot for the existing vacant land but the value may be considerably less based on a residual land value analysis.

***(E) An estimate of any lease, rental, or any other revenues generated by the property, and a description of the contractual requirements for the disposition of those funds.***

The property is not currently being considered for any interim lease or rental purposes. The property has been cleared of all structures in preparation for development.

Since the parcels were acquired with both Coliseum Redevelopment Project Area Tax Allocation Bond Series 2006 (Taxable) Bond Funds and Central City East Tax Allocation Bond Series 2006A-T (Taxable) Bonds Funds, any revenue or disposition proceeds generated by the property are or would be restricted bond proceeds and could only be used for redevelopment purposes consistent with the bond covenants.

***(F) The history of environmental contamination, including designation as a brownfield site, any related environmental studies, and history of any remediation efforts.***

The property has been completely remediated. Phase I and Phase II studies were conducted by consultant Ninyo and Moore. After demolition of buildings, contaminated soils identified through soil sampling by consultant were removed from site. The consultant has prepared a completion report for the environmental remediation.

***(G) A description of the property's potential for transit-oriented development and the advancement of the planning objectives of the successor agency.***

The former property is served by AC Transit bus lines 0, 1, 1R, 14, 20, 21, 47, 54, 62, and 801 with stops located within one to five blocks from the property. The property is approximately five blocks from the Fruitvale BART Station and will also be served by the future bus rapid transit line on International Boulevard. The site is within five blocks of the Fruitvale Transit Village transit-oriented development. Development of the site will augment the neighborhood revitalization catalyzed by this transit-oriented development and will provide services for transit village residents.

***(H) A brief history of previous development proposals and activity, including the rental or lease of property.***

While the site has received occasional interest from outside third parties, no major development proposals have been submitted since the site was purchased by the Redevelopment Agency. The site was formerly used as the Melrose Ford auto dealership. The Melrose Ford properties were vacant for several years before these two parcels were purchased by the Agency in 2010. The Agency commissioned an economic study to determine possible uses of the property and has cleared the parcels of obsolete structures and conducted environmental remediation to prepare the properties for development, completing this process in early 2012.

***(I) The use or disposition of the property.***

The property is suitable for development per the above discussion. The property has long been planned for a development project, and the planned development project has been identified in the Central City East Redevelopment Plan, Coliseum Redevelopment Plan, and their respective Implementation Plans, as well as the City's General Plan. Therefore, the property will be transferred to and retained by the City for future development.

## C.12. 66th & San Leandro

This 6.3 acre property at 66<sup>th</sup> Avenue and San Leandro Street, referred to as the Foods Co site and with the address 905 66<sup>th</sup> Avenue, fronts on 66<sup>th</sup> Avenue and is bordered to the southwest by the railroad right of way which runs parallel to San Leandro Street. City staff is working with Ralphs/Food 4 Less Grocery Company, a California company owned by Kroger's of Cincinnati, to develop the site as a 72,000 square foot Foods Co grocery store with fuel station.

***(A) The date of the acquisition of the property and the value of the property at that time, and an estimate of the current value of the property.***

The Redevelopment Agency acquired the property from the Alameda-Contra Costa Transit District on December 22, 2009, for \$7,747,102 plus funds for inspections and closing costs, and less the cost of environmental site remediation. The Agency expended a total of \$7,823,761 for the purchase of the site and later received \$138,000 from the escrow account as reimbursement for environmental remediation expenses. A 5.936 acre portion of the site was appraised by Yovino Young Inc. on October 21, 2008 at \$7.3 million, or \$28.23 per square foot. The Agency ultimately negotiated for a larger 6.3 acre property at the site, paying the appraised value of \$28.23 per square foot for a total of approximately \$7.75 million. The Agency has since demolished the existing warehouses and conducted environmental remediation to clear the site for development.

### 66<sup>th</sup> and San Leandro (FoodsCo)

Number	Street	Parcel Number	Date of Purchase	Purchase Price	Current Value**	Area
905	66 <sup>th</sup> Ave	041-4056-004-04	12/9/2009	7,747,102	\$6.8M	6.3 Acres

- a Purchased by the Oakland Redevelopment Agency from private property owners at FMV on date of purchase indicated and transferred to City on January 31, 2012 pursuant to a Purchase and Sale Agreement entered on March 3, 2011. Agency purchase price included FMV for land and improvements where applicable. Purchase price excludes closing costs, environmental site assessments and demolition costs. \*\* Current value based on \$25 sf for existing vacant land.

***(B) The purpose for which the property was acquired.***

The site is located within the Coliseum Redevelopment Project Area and was acquired by the Redevelopment Agency to control development of the site through Disposition and Development Agreements. The proposed use of the site as a large grocery store furthers the goals of the Coliseum Area Five-year Implementation Plan and addresses the need for modern grocery services in the Coliseum area documented in the 2009 Hausrath Economic Group blight study.

***(C) Parcel data, including address, lot size, and current zoning in the former agency redevelopment plan or specific, community, or general plan.***

The parcel APN 041-4056-004-04, at 905 66<sup>th</sup> Avenue, is 6.3 acres or 274,428 square feet. The property was originally acquired from AC Transit as two separate parcels (APN's: 041-4056-004 and 041-4056-006) and were later combined under a new final parcel map and recorded as a single parcel.

The property has a General Plan designation of General Industry and Transportation and is zoned Industrial General IG. The intent of the IG zone is to create, preserve, and enhance areas devoted primarily to major public and quasi-public facilities and auxiliary uses, and is typically appropriate to portions of the Oakland Central District and to outlying areas of public facilities. The proposed use of the property is consistent with the intent of the General Plan and the Coliseum Project Area Redevelopment Plan and its Five-Year Implementation Plan. In the General Plan Transportation and Land Use Element the project site is located in an area proposed for growth and change.

***(D) An estimate of the current value of the parcel including, if available, any appraisal information.***

A 5.936 acre portion of the site was appraised by Yovino Young, Inc. on October 21, 2008 at \$7.3 million, or \$28.23 per square foot. The Agency ultimately negotiated for a larger 6.3 acre property at the site, paying the appraised value of \$28.23 per square foot for a total of approximately \$7.75 million. Since the Agency has demolished the previous existing warehouses, the new estimated value of \$6.8 million is based on \$25 per square foot due to the acreage, but the value may be considerably less based on a residual land value analysis.

***(E) An estimate of any lease, rental, or any other revenues generated by the property, and a description of the contractual requirements for the disposition of those funds.***

The property is not currently being considered for any interim lease or rental purposes.

Since the property was acquired with Coliseum Redevelopment Project Area Tax Allocation Bonds Series 2006 (Taxable) Bond Funds, any revenue or disposition proceeds generated by the property are or would be restricted bond proceeds and could only be used for redevelopment purposes consistent with the bond covenants.

***(F) The history of environmental contamination, including designation as a brownfield site, any related environmental studies, and history of any remediation efforts.***

The site has been completely remediated. Both a Phase I and Phase II studies were conducted by Fugro Consultants, Inc. After demolition of buildings, an underground fuel storage tank and contaminated soils identified through soil sampling by consultant were removed from site. The consultant has prepared a completion report for the environmental remediation.



***(G) A description of the property's potential for transit-oriented development and the advancement of the planning objectives of the successor agency.***

The site is located in the area of the Coliseum Transit Village, and the planned grocery store will serve residents of the Transit Village as well as residents of other nearby public housing developments such as the Lion Creek Crossings development directly across 66<sup>th</sup> Avenue from the site and the Lockwood Gardens and Palo Vista developments close to the site on 66<sup>th</sup> Avenue. The site is approximately 1/3 mile walking distance from the Coliseum/Oakland Airport BART station and the Coliseum Amtrak station, and is served by the AC Transit 45, 98, 356, 805 and 73 bus lines.

***(H) A brief history of previous development proposals and activity, including the rental or lease of property.***

In September 2009, the Redevelopment Agency solicited proposals for the site via a Notice of Development Opportunity and received one proposal from the Ralphs/Food 4 Less Grocery Company to acquire the property to construct and operate a new supermarket and fuel station. The City has prior resolutions authorizing entering into an exclusive negotiating agreement (“ENA”) with Foods Co from June 2010 and also April 2012. The proposed project envisions a new supermarket featuring a 72,000 square foot grocery store and fuel center with additional land expansion possibilities for future retail capacity.

***(I) The use or disposition of the property.***

The property is suitable for development per the above discussion. The property has long been planned for a development project, and the planned development project has been identified in the Coliseum Redevelopment Plan and its Implementation Plan, as well as the City's General Plan. Therefore, the property will be transferred to and retained by the City for future development.

### C.13. Clara & Edes

The Clara and Edes site was assembled by the Redevelopment Agency through the acquisition of two separate parcels. The size of the combined parcel, spanning a corner between two blocks, is just under one-half acre and is bounded by Clara Street on the east and by Edes Avenue.

***(A) The date of the acquisition of the property and the value of the property at that time, and an estimate of the current value of the property.***

The Redevelopment Agency acquired the 606 Clara Street property from the County of Alameda in March 2008 for \$280,000 plus \$1,400 in closing costs. The former agency acquired the 9418 Edes Avenue property from Paul Staley/Berlin LLC in June 2008 for \$610,000 plus \$3,000 in closing costs. These acquisitions were based on a fair market value appraisal which was based on the highest and best use of the property using the existing zoning and estimated parcel sizes. The current value of the combined parcels may be less than the price paid for the property since the 9418 Edes Avenue property was purchased with land improvements associated with the property in the form of a neighborhood liquor store. However, the current estimated value of \$658,000 is based on \$25 per square foot since the property is not located on a major corridor and the property consists of vacant land.

***(B) The purpose for which the property was acquired.***

The site is located within the Coliseum Redevelopment Project Area. The 9418 Edes Ave parcel was acquired by the Redevelopment Agency since the site had a problematic liquor store, that was subsequently closed down by the community and had been a source of continuing blight and criminal activity.

***(C) Parcel data, including address, lot size, and current zoning in the former agency redevelopment plan or specific, community, or general plan.***

Current Land Use	Both 606 Clara St and 9418 Edes Ave parcels consist of empty vacant lots surrounded by metal fencing.
Site Size and Location	26,311 square feet (.5 acres) combined total Assessor Parcel Number: 044-5014-005 and 044-5014-006-3  Located on the north side of Edes Avenue between Clara Street and S. Elmhurst Avenue
Census Tract	4090
Site Valuation	N/A
Zoning	Site is zoned as C-10 (Local retail Commercial). General Plan Land Use Designation is Medium-Density Residential
Project Envelope	To be determined based on zoning requirements and negotiations. Preferred Use: Mixed-use development

	incorporating market-rate townhouses, senior units, ground floor commercial (local-serving goods such as fresh produce, no liquor store or alcohol sales allowed)
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### Immediate Surrounding Neighborhood

- Medium–density residential transitioning into Civic (Brookfield Library and Park and site of the new state-of-the-art East Oakland Youth Sports Center facility currently under-construction) and industrial warehousing (FedEx building) on the west side.
- Midway between 880 Freeway connections at 98<sup>th</sup> Ave and Hegenbeger Rd.
- 5 minutes drive to Coliseum BART Stations & Amtrak and the Coliseum/Oakland Airport which serves 11.5 million passengers and handles 622,030 tons of air cargo (2008)
- Proximately within minutes to the Martin Luther King, Jr. Regional Shoreline Park/Bay Trail

The development of the site is consistent with the Five-year Implementation Plan for the Coliseum Area.

***(D) An estimate of the current value of the parcel including, if available, any appraisal information.***

The Redevelopment Agency acquired the 606 Clara Street property from the County of Alameda in March 2008 for \$280,000. The former agency then subsequently acquired the 9418 Edes Avenue property from Paul Staley/Berlin LLC in June 2008 for \$610,000. The 9418 Edes Avenue property was appraised and purchased with improvements consisting of an existing 3,000 sf liquor store on site. However, the current estimated value of \$658,000 is based on \$25 per square foot, but the value may be considerably less based on a residual land value analysis.

***(E) An estimate of any lease, rental, or any other revenues generated by the property, and a description of the contractual requirements for the disposition of those funds.***

The 9418 Edes Avenue property has an existing CBS Outdoor lease for a small advertising billboard that was transferred along with the property for approx. \$20.83 per month. There are no other leases or rental agreements associated with the parcels.

Since the parcels were acquired using Coliseum Redevelopment Project Area Tax Allocation Series 2006 (Taxable) Bond Funds, any revenue or disposition proceeds generated by the property are or would be restricted bond proceeds and could only be used for redevelopment purposes consistent with the bond covenants.

***(F) The history of environmental contamination, including designation as a brownfield site, any related environmental studies, and history of any remediation efforts.***

Number	Street	Parcel Number	Date	Environmental Assessments
1	9418	Edes Avenue		
		044-5014-005 and 044-5014- 006-3 (combined with 606 Clara St.)	August 2006	Baseline Environmental Consulting Phase 1 Site Assessment
			January 2008	Baseline Environmental Consulting Phase II Soil Investigation
			June 2008	Baseline Environmental Consulting Aerially-Deposited Lead Investigation

***(G) A description of the property’s potential for transit-oriented development and the advancement of the planning objectives of the successor agency.***

The site is not suitable or properly located for transit-oriented development

***(H) A brief history of previous development proposals and activity, including the rental or lease of property.***

On September 4 2009, City staff issued a Notice of Development Opportunities (“NODO”) soliciting development proposals for several sites in the Coliseum Redevelopment Project Area, including the available half-acre site (26,311 square feet) located at the southwest corner of Clara and Edes Avenue in the Brookfield Gardens neighborhood. This site previously housed a notorious liquor store for which community members organized with the Neighborhood Law Corps and City Council District representative to shut down in 2005. The Redevelopment Agency purchased the property with the closed liquor store and adjacent property as these highly visible sites were having blight-causing effect on the surrounding neighborhood and the collapsing market conditions rendered them untenable for private development. The acquisition was made to remove the existing blight and stimulate positive development of the site which was not occurring via the private market alone.

Staff received three responses to the NODO and interviewed two of the respondents on January 24, 2010. All interviewers scored the submitted responses and interviewees, with the AE3 team (which includes Pankow Builders and Turner Construction) unanimously rated as the highest. AE3 is a local Oakland minority-owned development team with experience and expertise in planning, real estate, architecture, engineering and construction management services.

The proposal AE3 submitted called for a three-story skilled nursing facility built over a podium containing 13,000 square feet of ground-floor commercial uses including space for a proposed pharmacy, clinic and a small neighborhood retail/healthy food grocery store, an on-site security office and 27 parking spaces provided on the second level garage

The development of such a project would represent an improvement over the current uses of vacant underutilized land which once held a nuisance liquor store. Based on staff and consultant assessments, the construction of the project could provide significant employment at the site. The assessment of project employment benefits are as follows: 200 construction jobs; 32 FTE jobs in the skilled nursing facility; 15-20 FTE retail/commercial jobs; and 6 FTE clinic jobs. The project is also anticipated to generate significant tax benefits to all taxing entities.

***(I) The use or disposition of the property.***

The property is suitable for development per the above discussion. The property has long been planned for a development project, and the planned development project has been identified in the Coliseum Redevelopment Plan and its Implementation Plan, as well as the City's General Plan. Therefore, the property will be transferred to and retained by the City for future development.

#### **C.14. Hill Elmhurst**

This site is comprised of seven contiguous parcels on the west side of International Boulevard between 94<sup>th</sup> Avenue and 95<sup>th</sup> Avenue in the Elmhurst district of East Oakland within the Coliseum Redevelopment Project Area. Five parcels face International Boulevard and two parcels are on 95<sup>th</sup> Avenue. The neighborhood is well served by public transit, including a proposed Bus Rapid Transit (BRT) stop at 90<sup>th</sup> Avenue and International. The site is located less than 1.5 miles from both Interstate 880 and Interstate 580 via the 98<sup>th</sup> Avenue arterial, and International Boulevard, State Route 185, is itself a major north-south arterial.

The Redevelopment Agency and other City departments have worked for several years with community non-profit and for-profit developers to promote construction of mixed-use housing and commercial structures on both sides of International Boulevard between 94<sup>th</sup> Avenue and 96<sup>th</sup> Avenue as a catalyst project to revitalize this blighted area. The first phase of the overall development is fully entitled for 54 units of affordable housing and 3,500 square feet of commercial space to be constructed directly across subject properties and was approved by the Oakland City Planning Commission in February 2012.

***(A) The date of the acquisition of the property and the value of the property at that time, and an estimate of the current value of the property.***

The Redevelopment Agency acquired the property from a private owner on August 2, 2011 for \$1,227,038, including closing costs. An independent appraisal conducted shortly before the purchase valued the properties at \$1,221,000. The current value may be more or less than the price paid for the property based on market forces.

***(B) The purpose for which the property was acquired.***

The properties were acquired by the Redevelopment Agency to promote development of the site through Disposition and Development Agreements, furthering the established goals and objectives for the project areas by revitalizing this economically stagnant site. The Agency has worked towards construction of a mixed-use residential development on the blocks of International Boulevard between 94<sup>th</sup> Avenue and 96<sup>th</sup> Avenue for over a decade.

***(C) Parcel data, including address, lot size, and current zoning in the former agency redevelopment plan or specific, community, or general plan.***

A total of seven contiguous parcels at the following locations:

9409 International Blvd (APN #: 044-4967-002);  
9415 International Blvd (APN #: 044-4967-003);  
9423 International Blvd (APN #: 044-4967-004-03);  
9431 International Blvd (APN #: 044-4967-005);  
9437 International Boulevard (APN #: 044-4967-007-01);  
1361 95<sup>th</sup> Avenue (APN #: 044-4967-004-02); and  
95<sup>th</sup> Avenue with no street address referred to as: (APN #: 044-4967-009).

Total size is approximately 28,802 square feet, or 0.54 acres. Zoning is CN-3 (Neighborhood Center Zone 3) with maximum building height of 60 feet. The intent of the CN-3 zone is to create, improve, and enhance neighborhood commercial centers that have a compact, vibrant pedestrian environment. This zoning accommodates residential uses. The development of the property is consistent with the Five-Year Implementation Plan for the Coliseum Project Area.

***(D) An estimate of the current value of the parcel including, if available, any appraisal information.***

Appraisals dated April 1, 2011 by Alfred L. Watts & Associates valued the parcels at \$1,221,000, and the Agency purchased the property for this price, plus closing costs, on August 2, 2011. However, the current value may be considerably less based on a residual land value analysis.

***(E) An estimate of any lease, rental, or any other revenues generated by the property, and a description of the contractual requirements for the disposition of those funds.***

The property is not currently being considered for any interim lease or rental purposes. The property needs to be cleared of structures in preparation for development and to reduce maintenance costs and prevent encampments.

Since the parcels were acquired using Coliseum Redevelopment Project Area Tax Allocation Series 2006 (Taxable) Bond Funds, any revenue or disposition proceeds generated by the property are or would be restricted bond proceeds and could only be used for redevelopment purposes consistent with the bond covenants.

***(F) The history of environmental contamination, including designation as a brownfield site, any related environmental studies, and history of any remediation efforts.***

Ninyo and Moore Geotechnical and Environmental Sciences Consultants prepared a Phase 1 Environmental Report for the properties in April 2011. The sole item of concern discovered in the phase I research was the observation of an oil storage unit in a historic Sanborn map from 1912 on the 9431 International Boulevard parcel. The Report recommends a geophysical survey in and around the area of the location of the oil storage unit to confirm its absence or presence on the property.

***(G) A description of the property's potential for transit-oriented development and the advancement of the planning objectives of the successor agency.***

The site is located within a TOD Catalyst Area identified in the City's International Boulevard Transit-Oriented Development Plan from March 2011. A station for the proposed Bus Rapid Transit Line is planned for the corner of 90<sup>th</sup> Avenue and International Boulevard, and AC Transit bus lines 1, 1R, 98, and 801 currently serve the site, with stops less than four blocks away at both 90<sup>th</sup> Avenue and 98<sup>th</sup> Avenue. Estimated complete travel time by public

transportation to the Oakland Airport/Coliseum BART Station or the Coliseum Amtrak InterCity Rail Station is 13 minutes. Development of the site aligns with the Coliseum Area Redevelopment Project Five-Year Implementation Plan goals of revitalizing the International Boulevard corridor and assembling land into parcels suitable for sustainable, integrated development with improved pedestrian and vehicular circulation.

***(H) A brief history of previous development proposals and activity, including the rental or lease of property.***

The City and Redevelopment Agency have worked with the property owners and development teams for over a decade to realize the vision of a mixed use development on International Boulevard between 94<sup>th</sup> Avenue and 96<sup>th</sup> Avenue, often referred to as the Hills-Elmhurst project. In 2001 the proposed housing development was awarded HUD EDI grant and Section 108 Loan. Hills Elmhurst Plaza Partners submitted a request for housing development assistance for the project in 2001. In 2006 Christian Church Homes submitted an application for funding of senior housing at the site. In 2007 the City Council authorized a \$6 million loan for the project and also authorized the Agency to enter into an Exclusive Negotiation Agreement for the project.

Development of the seven parcels on the west side of International Boulevard between 94<sup>th</sup> Avenue and 95<sup>th</sup> Avenue would comprise the second phase of the overall Hills-Elmhurst development. Plans for the first phase of the overall development, to be located directly across International Boulevard from the properties described in this summary, were approved by the Oakland City Planning Commission in February 2012. This first phase of the project is currently with the Related Company in partnership with Acts Community Development Corporation and will consist of approximately 54 affordable units and 3,500 square feet of commercial space.

***(I) The use or disposition of the property.***

The property is suitable for development per the above discussion. The property has long been planned for a development project, and the planned development project has been identified in the Coliseum Redevelopment Plan and its Implementation Plan, as well as the City's General Plan. Therefore, the property will be transferred to and retained by the City for future development.



### C.15. Fruitvale Transit Village Phase II

The City holds four parcels intended for the second phase of the Fruitvale Transit Village transit oriented development. Two parcels are located on East 12<sup>th</sup> Street and two on San Leandro Boulevard. The two parcels on East 12<sup>th</sup> Street are to be the site of Fruitvale Transit Village Phase II (FTV2), a 275 unit residential project. The two parcels on San Leandro Street may be used for construction staging and auxiliary parking. All parcels are located within 600 feet of the entrance to the Fruitvale BART Station within the Coliseum Redevelopment Project Area.

The proposed project includes the demolition of the existing site improvements and the construction of a four-story condominium/apartment building with 275 units to be built around interior courtyards and a five-story (six-level) parking garage. The project would contain a mixture of studio, one bedroom, two bedroom and three bedroom units, and would be constructed in four phases. The parking garage in the center of the project would be built first, with the residential buildings to be built in three subsequent phases. The six-level parking garage includes 275 spaces -- one for each unit. The proposed project would be a mixture of affordable and market-rate units.

***(A) The date of the acquisition of the property and the value of the property at that time, and an estimate of the current value of the property.***

Address	Parcel No.	Purchase Date	Seller	Price	Appraiser	Appraisal Date	Current Value
E. 12th Street (Fruitvale BART Parking Lot)	033-2177-021	28-Oct-2010	BART	6,050,000	Real Estate Decisions Company	8-Jan-2010	\$6,000,000
E. 12th Street (Fruitvale BART Parking Lot)	033-2197-019						
3229 San Leandro Street (Sasse)	033-2186-033-01	18-Dec-2009	private party	1,203,404	Yovino Young	24-Apr-2009	\$745,000*
3301 San Leandro Street (Sasse)	033-2187-033-01						

\*Current value based on \$30 per sf for existing vacant land, but could be considerably less based on a residual land value analysis.

***(B) The purpose for which the property was acquired.***

The properties were acquired by the Redevelopment Agency to promote development of the site through Disposition and Development Agreements, furthering the established goals and objectives for the project areas by supporting the second phase of development for the Fruitvale Transit Village, described above.

***(C) Parcel data, including address, lot size, and current zoning in the former agency redevelopment plan or specific, community, or general plan.***

Address	Parcel No.	Lot Size (Acres)	Zoning
E. 12th Street (Fruitvale BART Parking Lot)	033-2177-021	3.41	S-15: Transit Oriented
E. 12th Street (Fruitvale BART Parking Lot)	033-2197-019		
3229 San Leandro Street (Sasse)	033-2186-033-01	.57	HBX-1: Housing and Business Mix-1
3301 San Leandro Street (Sasse)	033-2187-033-01		

The S-15 Transit Oriented zone is intended to create, preserve and enhance areas devoted primarily to serve multiple nodes of transportation and to feature high-density residential, commercial, and mixed-use developments to encourage a balance of pedestrian-oriented activities, transit opportunities, and concentrated development; and encourage a safe and pleasant pedestrian environment near transit stations by allowing a mixture of residential, civic, commercial, and light industrial activities, allowing for amenities such as benches, kiosks, lighting, and outdoor cafes; and by limiting conflicts between vehicles and pedestrians, and is typically appropriate around transit centers such as Bay Area Rapid Transit (BART) stations, AC Transit centers, and other transportation nodes.

The HBX-1 Housing Business Mix-1 zone is intended to provide development standards that provide for the compatible coexistence of industrial and heavy commercial activities and medium density residential development. This zone recognizes the equal importance of housing and business. The development of the property is consistent with the Five-Year Implementation Plan for the Coliseum Project Area.

***(D) An estimate of the current value of the parcel including, if available, any appraisal information.***

Address	Parcel No.	Purchase Date	Seller	Price	Appraiser	Appraisal Date	Current Value
E. 12th Street (Fruitvale BART Parking Lot)	033-2177-021	28-Oct-2010	BART	6,050,000	Real Estate Decisions Company	8-Jan-2010	\$6,000,000
E. 12th Street (Fruitvale BART Parking Lot)	033-2197-019						
3229 San Leandro Street (Sasse)	033-2186-033-01	18-Dec-2009	private party	1,203,404	Yovino Young	24-Apr-2009	\$745,000*
3301 San Leandro Street (Sasse)	033-2187-033-01						

\*Current value based on \$30 sf for existing vacant land, but could be considerably less based on a residual land value analysis.

***(E) An estimate of any lease, rental, or any other revenues generated by the property, and a description of the contractual requirements for the disposition of those funds.***

The City currently has a lease agreement with the Spanish Speaking Unity Council, the non-profit development partner for the Fruitvale Transit Village project, for the 3.41 acre parking lot. The Unity Council has responsibility for day to day operations, insurance liabilities, site management and maintenance and lease payments are based on a percentage of revenues generated at the site.

The properties on San Leandro Street are not currently being considered for any interim lease or rental purposes.

Since the property was acquired using Coliseum Redevelopment Project Area Tax Allocation Series 2006 (Taxable) Bond Funds, any revenue or disposition proceeds generated by the property are or would be restricted bond proceeds and could only be used for redevelopment purposes consistent with the bond covenants.

***(F) The history of environmental contamination, including designation as a brownfield site, any related environmental studies, and history of any remediation efforts.***

Parcel No.	Phase 1 Consultant	Phase 1 Date	Phase 2 consultant	Phase 2 date	Remediation	Comments
033-2177-021	Treadwell & Rollo	Sep-10			No	Phase I quotes results of previous site investigations and the presence of chromium in soils and petroleum hydrocarbons in groundwater (from an offsite source).
033-2197-019						
033-2186-033-01	Treadwell & Rollo	Oct-09	Treadwell & Rollo	Oct-09	No	Petroleum hydrocarbons and lead contamination detected in shallow soils.
033-2187-033-01						

***(G) A description of the property's potential for transit-oriented development and the advancement of the planning objectives of the successor agency.***

The property is held for the second phase of development of the Fruitvale Transit Village at Fruitvale BART Station. The Fruitvale Transit Village is a nationally recognized prototype for the development of housing, community service and retail at a public transportation hub, and the addition of 275 residential units at the site will increase the vitality of the development, support retailers in and around the transit village, and reduce greenhouse gas emissions by increasing the use of public transit. In addition to furthering the Agency's planning objective of promoting transit-oriented development, the development of this site will also advance the Agency's goal of the economic revitalization of International Boulevard and the Fruitvale district. The development augments previous Agency investments in the area, including Phase I of the

Fruitvale Transit Village, nearby streetscape improvements, improvements to nearby public facilities, and matching grants to neighborhood retailers for façade and tenant improvements.

***(H) A brief history of previous development proposals and activity, including the rental or lease of property.***

The overall plan for the Fruitvale Transit Village has long included the development of the two Fruitvale BART parking lot parcels for additional housing. The housing development to be sited on the two BART parking lot sites has received entitlements for construction, including approval by the Oakland City Planning Commission and the filing of a Notice of Determination with Alameda County. The Planning Commission has certified that the environmental impact report (EIR) for the project complies with state CEQA guidelines and the City's environmental review regulations. Phase I of the Fruitvale Transit Development, adjacent to the parking lot parcels, is a nationally recognized prototype for the development of housing, community service and retail at a public transportation hub. The parking lot parcels are currently used for overflow BART parking and are operated by the Spanish Speaking Unity Council, the non-profit development partner for the Fruitvale Transit Village project, under a lease agreement with the Agency.

The two parcels on San Leandro Street have not been leased. They are proposed for uses to support the construction of housing on the BART parking lot parcels. The property has been cleared of structures in preparation for development and to reduce maintenance costs and prevent encampments.

***(I) The use or disposition of the property.***

The property is suitable for development per the above discussion. The property has long been planned for a development project, and the planned transit oriented development project has long been identified in the Coliseum Redevelopment Plan and its Implementation Plan, as well as the City's General Plan. Therefore, the property will be transferred to and retained by the City for future development.

## C.16. Coliseum City

Over the past decade, the Redevelopment Agency has individually acquired the below subject parcels along the perimeter of the Oakland Alameda County Arena and Coliseum Complex and in the area between the Coliseum, San Leandro Bay, and Oakland International Airport within the Coliseum Redevelopment Project Area. A Master Plan has been developed for Coliseum City which encompasses the area from the Coliseum BART Station to the Estuary, integrating professional sports facilities with office, hotel, commercial entertainment and residential development. The "Coliseum City" project area includes the Oakland-Alameda County Coliseum Complex which serves as the sports/entertainment destination for the East Bay and is located adjacent to a major local and regional transportation hub with direct freeway access to and visibility from I-880. The site is close to the Oakland International Airport and serves as a major gateway into Oakland and the entire region. The City envisions this unique area as a world class sports and entertainment center with hotel, condominiums, retail, commercial, convention space, and a location for sub-regional corporate headquarters all accessible to multiple modes of transportation. The City plans to hold these subject parcels for future development as part of the overall plan for the revitalization of this area referred to as Coliseum City.

*(A) The date of the acquisition of the property and the value of the property at that time, and an estimate of the current value of the property.*

Address	Parcel No.	Purchase Date	Seller	Price	Appraiser	Appraisal Date	Current Value *
796 66th Avenue (Cruise America)	041-3901-004	15-Jul-2010	private party	5,613,460	Yovino Young	5-May-2009	5,613,460
6775 (7001) Oakport Street	041-3902-021	2007	Zhone Technologies	1,700,097	Yovino Young	5-Mar - 2010	3,400,000
711 71st Avenue	041-4170-001-02	8-Apr-2011	Private family trust	1,415,000	Indepen. Appraisal	2010	1,415,000
7001 Snell Street	041-4170-005-03	4-Feb-2011	Union Pacific	315,000	Indepen. Appraisal	2008	315,000
73rd Avenue	041-4173-001-03	2000	private party	365,000	Napoleon Forte, ASA	12-Jan-2000	365,000
728 73rd Avenue	041-4173-002-02						
710 73rd Avenue	041-4173-003-06	21-May-2009	private party	521,500	Indep. Appraisal	2007	521,500
633 Hegenberger Road	042-4328-001-16	30-Oct-2009	private party	13,890,457	Yovino Young	6-Jul-2009	12,600,000
8000 S. Coliseum Way (Malibu)	042-4328-001-24	7-May-2010	County of Alameda and City of Oakland	3,505,850	City Real Estate Services	9-Mar-2010	3,505,850

66 <sup>th</sup> Ave (Sod Farm)	041-3901-010	7-May-2010	City of Oakland	1,003,910	City Real Estate Services	2010	1,000,000
Edgewater (no address)	041-3902-013-05	1989	Port of Oakland	Remainder Parcel	N/A	N/A	N/A
Edgewater (no address)	041-3902-013-06	1989	Port of Oakland	Remainder Parcel	N/A	N/A	N/A

\*Current values based on combination of previous acquisition amounts and recent comparables. However, current values may be considerably less based on a residual land value analysis.

***(B) The purpose for which the property was acquired.***

The properties were acquired by the Redevelopment Agency to promote development of the area through Disposition and Development Agreements, furthering the established goals and objectives for the project area by revitalizing the area through consolidation of land to promote development. The area around the Coliseum Complex has great potential for development due to the availability of all modes of transit including air travel, rail, auto, BART and bus, as well as the scenic potential of the waterfront. Development of this area will further the economic revitalization of nearby sections of east Oakland through the generation of jobs for area residents and through the increase of demand for neighborhood services that will be generated by new residents. A Master Plan has been developed as well as a Specific Plan and EIR/CEQA study is currently being prepared for the future development within this area.

***(C) Parcel data, including address, lot size, and current zoning in the former agency redevelopment plan or specific, community, or general plan.***

Address	Parcel No.	Lot Size (Acres)	Zoning
796 66th Avenue (Cruise America)	041-3901-004	4.53	CR-1 Commercial Regional 1
6775 (7001) Oakport Street	041-3902-021	3.63	IO Industrial Office
711 71st Avenue	041-4170-001-02	1.22	CR-1
7001 Snell Street	041-4170-005-03	0.45	S-15 Transit Oriented
73rd Avenue	041-4173-001-03	0.66	CR-1
728 73rd Avenue	041-4173-002-02		
710 73rd Avenue	041-4173-003-06	0.52	CR-1
633 Hegenberger Road	042-4328-001-16	12.37	CR-1

8000 S. Coliseum Way (Malibu)**	042-4328-001-24	8.80/2	CR-1
66 <sup>th</sup> Avenue (Sod Farm)	042-3901-010	2.17	CR-1
Edgewater (no address)	041-3902-013-05	0.04	IO
Edgewater (no address)	041-3902-013-06	0.51	CIX-2, IO

\*\*Property is co-owned between the City of Oakland and the County of Alameda.

The intent of the CR-1 zone is to maintain, support and create areas of the City that serve as region-drawing centers of activities.

The CIX-2 zone is intended to create, preserve, and enhance areas of the Central and Eastern portions of the City that are appropriate for a wide variety of heavy commercial and industrial establishments. Uses with greater off-site impacts may be permitted provided they meet specific performance standards and are buffered from residential areas.

The IO zone is intended to create and support areas of the City that are appropriate for a wide variety of businesses and related commercial and industrial establishments in a campus-style setting. Development and performance standards in this district are more restrictive and accommodate large-parcel development in an attractive, well landscaped setting. Future development shall reflect large-scale office, research and development, light industrial, wholesaling and distribution, and similar and related supporting uses.

The S-15 zone is intended to create, preserve and enhance areas devoted primarily to serve multiple nodes of transportation and to feature high-density residential, commercial, and mixed-use developments to encourage a balance of pedestrian-oriented activities, transit opportunities, and concentrated development; and encourage a safe and pleasant pedestrian environment near transit stations by allowing a mixture of residential, civic, commercial, and light industrial activities, allowing for amenities such as benches, kiosks, lighting, and outdoor cafes; and by limiting conflicts between vehicles and pedestrians, and is typically appropriate around transit centers such as Bay Area Rapid Transit (BART) stations, AC Transit centers, and other transportation nodes.

The Coliseum City properties are included and are consistent with the Five-Year Implementation Plan for the Coliseum Project Area.

***(D) An estimate of the current value of the parcel including, if available, any appraisal information.***

The table below shows the purchase prices and most recent appraisals of the properties:

Address	Parcel No.	Purchase Date	Seller	Price	Appraiser	Appraisal Date	Current Value *
796 66th Avenue (Cruise America)	041-3901-004	15-Jul-2010	private party	5,613,460	Yovino Young	5-May-2009	5,613,460
6775 (7001) Oakport Street	041-3902-021	2007	Zhone Technologies	1,700,097	Yovino Young	5-Mar - 2010	3,400,000
711 71st Avenue	041-4170-001-02	8-Apr-2011	Private family trust	1,415,000	Indepen. Appraisal	2010	1,415,000
7001 Snell Street	041-4170-005-03	4-Feb-2011	Union Pacific	314,993	Indepen. Appraisal	2008	315,000
73rd Avenue	041-4173-001-03	2000	private party	365,000	Napoleon Forte, ASA	12-Jan-2000	365,000
728 73rd Avenue	041-4173-002-02						
710 73rd Avenue	041-4173-003-06	21-May-2009	private party	521,500	Indepen. Appraisal	2007	521,500
633 Hegenberger Road	042-4328-001-16	30-Oct-2009	private party	13,890,457	Yovino Young	6-Jul-2009	12,600,000
8000 S. Coliseum Way (Malibu)	042-4328-001-24	7-May-2010	Alameda County/City of Oakland	3,505,850	City Real Estate Services	9-Mar-2010	3,505,850
66 <sup>th</sup> Ave (Sod Farm)	042-3901-010	7-May-2010	City Of Oakland	1,003,910	City Real Estate Services	2010	1,000,000
Edgewater (no address)	041-3902-013-05	1989	Port of Oakland	Remainder parcel	N/A	N/A	N/A
Edgewater (no address)	041-3902-013-06	1989	Port of Oakland	Remainder parcel	N/A	N/A	N/A

\*Current values based on combination of previous acquisition amounts and recent comparables. However, current values may be considerably less based on a residual land value analysis.

***(E) An estimate of any lease, rental, or any other revenues generated by the property, and a description of the contractual requirements for the disposition of those funds.***

Parcels located at: 796 66<sup>th</sup> Avenue, 711 71<sup>st</sup> Avenue, 728 and 710 73<sup>rd</sup> Avenue parcels and 6775 Oakport Street) have only recently been leased to Classic Parking for use as seasonal overflow parking at limited Coliseum events. The City of Oakland receives approximately \$8,580 per month during the NFL season for the use of the 6775 Oakport property. The other properties are leased on a per event basis to the parking provider, with payments received in five installments over the course of the event season.

The City of Oakland received an annual payment of \$84,700 in April 2012 from the Oracle Arena and Alameda County Coliseum for use of the 633 Hegenberger site during fiscal year 2012-13 for auxiliary parking.



Since subject parcels were individually acquired using both Coliseum Redevelopment Project Area Tax Allocation Series 2003 and 2006 (Taxable) Bond Funds, any revenue or disposition proceeds generated by the property are or would be restricted bond proceeds and could only be used for redevelopment purposes consistent with the bond covenants.

***(F) The history of environmental contamination, including designation as a brownfield site, any related environmental studies, and history of any remediation efforts.***

The table below shows the status of environmental studies and remediation for the parcels:

Address	Parcel No.	Phase 1 Consultant	Phase 1 Date	Phase 2 Consultant	Phase 2 Date	Remediation	Comments
796 66th Avenue (Cruise America)	041-3901-004	Treadwell & Rollo	Sept 2009	None	N/A	No	N/A
6775 (7001) Oakport Street	041-3902-021	None	N/A	None	N/A	No	N/A
711 71st Avenue	041-4170-001-02	Baseline	Mar 2011	Baseline	May 2011	No	Chromium and lead were detected in shallow soils onsite
7001 Snell Street	041-4170-005-03	Fugro	Aug 2008	Fugro	July 2009	No	Phase II reported soils contaminated with heavy metals.
73rd Avenue	041-4173-001-03			Fugro	Aug 2000	No	Low levels of lead contamination detected in shallow soils onsite.
728 73rd Avenue	041-4173-002-02	Baseline	Nov 2000	Baseline	Nov 2000	No	Lead contamination was detected in shallow soils onsite.
710 73rd Avenue	041-4173-003-06	AECOM	Jun 2009	None		No	In 1985 DTSC conducted soil remediation on site. Groundwater contamination from an offsite source from the adjacent site still exists.
633 Hegenberger Road	042-4328-001-16	Fugro	Aug 2009	Fugro	Oct 2009	No	Arsenic, lead, and petroleum hydrocarbons were detected in shallow soils onsite.
8000 S. Coliseum Way (Malibu)	042-4328-001-24	None		None		No	

66 <sup>th</sup> Avenue (Sod Farm)	042-3901-010	None		None		No	
Edgewater (no address)	041-3902-013-05	None		None		No	
Edgewater (no address)	041-3902-013-06	None		None		No	

***(G) A description of the property's potential for transit-oriented development and the advancement of the planning objectives of the successor agency.***

The area surrounding the Oakland Airport/Coliseum BART station is perhaps the most suitable site for transit-oriented development in the San Francisco Bay Area, thanks to the availability of multiple modes of transport and the underdevelopment of much of the land in the area. A new light rail system currently under construction will soon make a direct connection between Coliseum BART station and Oakland International Airport. The area is served by an Amtrak commuter rail station and numerous Alameda County Transit bus lines in addition to BART. The area is also accessed easily by automobile, via the Hegenberger Road or 66<sup>th</sup> Avenue exits from Interstate I-880, as well as from the major arterials of 73<sup>rd</sup> Avenue and San Leandro Street. The Agency has worked towards the construction of the Coliseum Transit Village (CTV) mixed-use project at the Coliseum BART Station for over a decade, and the Agency and non-profit development partners received over \$15 million in grant funds under the state's Transit Oriented Development Program for the first and second stages of the transit village in 2008. Phase I of CTV was completed in 2012. Several of the Agency properties included in the Coliseum City project are slated for use as BART replacement parking so that later stages of the transit village can be constructed on the current BART parking lot.

Coliseum City is a comprehensive plan for the redevelopment of the greater area from the Coliseum BART Station to the Estuary, integrating professional sports facilities with commercial and residential development, and including the Coliseum Transit Village. The "Coliseum City" project area is located within and surrounding the Oakland-Alameda County Coliseum Complex, with San Leandro Bay as the westernmost boundary, Hawley Street as the easternmost boundary, Hegenberger Road as the southernmost boundary and Independent Road as the northernmost boundary. The area surrounding the Oakland-Alameda County Coliseum Complex serves as the sports/entertainment destination for the East Bay and is located adjacent to a major local and regional transportation hub with direct freeway access to and visibility from I-880. The site is close to the Oakland International Airport and serves as a major gateway into Oakland and the entire region. The City envisions this unique area as a world class sports and entertainment center with hotel, condominiums, retail, commercial, convention space, and a location for sub-regional corporate headquarters all accessible to multiple modes of transportation. Those parcels not used to create replacement parking for the Coliseum Transit Village will be used for the reconfiguration of the Coliseum Complex and other developments in the Coliseum City plan.

***(H) A brief history of previous development proposals and activity, including the rental or lease of property.***

The 6775 Oakport property was initially sold to a developer as part of a larger property for the development of the Zhong Technology campus. When the campus did not expand to use the site the Agency repurchased the property under the terms of the Purchase and Sale Agreement. The Edgewater parcels are land-locked remainder parcels that were originally owned by the Port of Oakland but were later transferred to the Redevelopment Agency as part of the Zhong Technology campus project.

The other parcels were purchased either to further the development of the Coliseum Transit Village by providing sites for replacement BART parking or to facilitate the reconfiguration of the Coliseum complex with new sports/entertainment facilities.

The Agency has contributed many improvements to the Coliseum City Area, including street improvements on Hegenberger Road, Doolittle Drive, 98<sup>th</sup> Avenue, Airport Access Road and San Leandro Street, as well as support for the Airport Connector project linking the Coliseum BART station to Oakland International Airport via light rail. A team led by JRDV Architects has now created a Master Plan for Coliseum City under the terms of an Exclusive Negotiating Agreement with the City, and consultants Lamphier-Gregory will create a specific plan and environmental impact report for the project under the terms of a professional services agreement. Please see Section E, above, for lease information regarding the properties.

***(I) The use or disposition of the property.***

The properties are suitable for development per the above discussion. The properties have been planned for a development project, and the planned development project has been identified in the Coliseum Redevelopment Plan and its Implementation Plan, as well as the City's General Plan. Therefore, the property will be transferred to and retained by the City for future development.

### **C.17. Oak Knoll**

This property is a 5.4 acre site within the Oak Knoll Redevelopment Project Area that includes portions of Barcelona Street and St. Andrews Road which are existing right of ways. After street dedications for both St. Andrews and Barcelona are subtracted from the gross area, the true or effective developable net area is approx. 4.8 acres. Most of the existing Barcelona alignment is included with the 4.8 acres.

***(A) The date of the acquisition of the property and the value of the property at that time, and an estimate of the current value of the property.***

The Redevelopment Agency began involvement with the development of the Oak Knoll project when: 1) the Naval Medical Center facility was closed by the Defense Base Closure and Realignment (BRAC) Act in September of 1996; 2) the Final Reuse Plan was approved by the U.S. Housing and Urban Development Department and the Department of Defense in September of 1997; and 3) the Oak Knoll Redevelopment Project was adopted by the Oakland City Council on July 14, 1998. However, due to budget constraints the City of Oakland did not accept transfer of authority and the Navy sold the vast majority of the Oak Knoll Area to a private developer. The Navy conveyed the Barcelona Street Property to the Redevelopment Agency under a \$2.2 million McKinley Act settlement the Navy was initially responsible for on August 15, 2005.

The most recent appraisal of the property in July of 2007 had the property valued at approximately \$4.5 million.

***(B) The purpose for which the property was acquired.***

The property was acquired by the Redevelopment Agency with the intent to assist in the redevelopment of the Oak Knoll Redevelopment Area. The intended use is for the development of a master planned residential community.

***(C) Parcel data, including address, lot size, and current zoning in the former agency redevelopment plan or specific, community, or general plan.***

\*APN 048-6870-002

\*Approximately 5.4 acre site including portions of Barcelona Street and St. Andrews Road.

\*Approximately 4.8 acre site excluding the street right of way.

\*RH-4 Zoning – Hillside Residential

Development of the property is consistent with the Five-Year Implementation Plan for the Oak Knoll Redevelopment Project.

***(D) An estimate of the current value of the parcel including, if available, any appraisal information.***

The most recent determination of value for the site was prepared on July 1, 2007 by J.W. Tom and Associates. At that time, a value conclusion of \$4.5 million was presented.

***(E) An estimate of any lease, rental, or any other revenues generated by the property, and a description of the contractual requirements for the disposition of those funds.***

There are no current leases on the site.

***(F) The history of environmental contamination, including designation as a brownfield site, any related environmental studies, and history of any remediation efforts.***

According to the appraisal, no apparent environmental hazards were noted during an inspection.

***(G) A description of the property's potential for transit-oriented development and the advancement of the planning objectives of the successor agency.***

Although the property has nearby AC transit bus service, the property has limited potential as a transit oriented development project due its relative distance to the nearest major transit hub facility. The area is zoned as RH-4: Hillside Residential.

***(H) A brief history of previous development proposals and activity, including the rental or lease of property.***

The site was operated as a Naval Medical Center. The Naval Medical Center Oakland facility was closed by the Defense Base Closure and Realignment (BRAC) Act in September of 1996. The Final Reuse Plan was approved by the U.S. Housing and Urban Development Department and the Department of Defense in September of 1997. The Oak Knoll Redevelopment Project was adopted by the Oakland City Council on July 14, 1998. However, due to budget constraints the City of Oakland did not accept transfer of authority and the Navy sold the vast majority of the Oak Knoll Area to Sun Cal, a private developer. The Navy conveyed the Barcelona Street Property to the Redevelopment Agency to repay a \$2.2 million McKinley Act settlement the Navy was initially responsible for on August 15, 2005. The Agency considering selling the property to SunCal to incorporate the land into a larger development but the market and national recession led to the ultimate change of ownership to Lehman Brothers in 2011.

The Oak Knoll development envisions a fully master planned residential community of over 365 acres in the beautiful Oakland hills above the I-580 freeway at Keller Avenue. The project envisions over 900 units ranging from high-end, semi-custom single family residences, townhouses and duet housing with fully restored creeks, trails, open space, a community center and local neighborhood serving retail. Negotiations have once again resumed since Lehman has recently selected Signature Properties as the local developer to continue the entitlement process for the Oak Knoll project, which would also incorporate the subject 5.4 acre parcel.

***(I) The use or disposition of the property.***

The property is suitable for development per the above discussion. The property has long been planned for a development project, and the planned development project has been identified in the Oak Knoll Redevelopment Plan and its Implementation Plan, as well as the City's General Plan. Therefore, the property will be transferred to and retained by the City for future development.

#### **D. Properties Proposed for Sale**

The properties discussed in this section are proposed for sale by ORSA pursuant to Health and Safety Code Section 34191.5(c)(2). Most are currently owned by ORSA, though the ones that are owned by the City will be transferred to ORSA for sale. The properties will be sold for fair market value at their highest and best use. ORSA will follow the City of Oakland's rules and procedures for disposing of surplus properties. The net proceeds from the sale will be distributed as property tax to each taxing entity in an amount proportionate to its share of property tax revenues pursuant to Health and Safety Code Section 34188, to the extent permitted under bond covenants and federal law.

However, it should be noted, that four of these parcels were acquired with tax allocation bond proceeds. Thus, under applicable law and bond covenants, the revenue produced by bond-funded facilities, as well as proceeds from any sale of these properties, will continue to be restricted to uses consistent with the bond covenants in the indenture, such as retiring the bonds or investing in other capital projects meeting a redevelopment purpose within the applicable redevelopment project area.

## **D.1. Franklin 88 Parking Garage**

The Franklin 88 Parking Garage (APN: 002-0101-001) is located at 901 Franklin Street in the Chinatown Activity Area of the Central District Redevelopment Project Area. The garage is part of a mixed-use project (the “Project”), which consists of 88 units of market rate for-sale housing, 5,800 square feet of retail space and 224 parking spaces. The Franklin 88 Parking Garage is a condominium within the Project’s 224-space garage and consists of 135 public parking spaces on three levels.

### ***(A) The date of the acquisition of the property and the value of the property at that time, and an estimate of the current value of the property.***

In November 2002, the Redevelopment Agency sold a surface parking lot at the northwest corner of Franklin and 9th Streets to SNK 9th & Franklin LLC (“SNK”) for development of a six-story, 88-unit luxury condominium development, ground floor commercial condominium units and related parking. Under the terms of a Disposition and Development Agreement, SNK was required to construct a 224-space garage in the basement, a portion of the ground floor, and the second level of the building. SNK was also obligated to sell the Agency a condominium interest in the basement and ground levels, and a portion of the second level of the garage. On November 10, 2004, the Agency purchased the condominium consisting of a 135-space garage for \$2,818,000. The remainder of the garage’s second level, containing unreserved parking spaces, was sold by SNK to purchasers of the residential condominiums.

### ***(B) The purpose for which the property was acquired.***

The Agency acquired the garage to replace parking at a surface public parking lot that was located on the site before the Agency sold the property to SNK for development. The surface parking lot provided short-term public parking in support of businesses in the Chinatown Activity Area. The adjacent Courtyard Hotel by Marriott hotel also had a parking license for the lot for up to 67 cars at market rates for a term of 37 years with an option to extend the term by another 28 years. This license was transferred to the property, and now encumbers the Franklin 88 Garage.

### ***(C) Parcel data, including address, lot size, and current zoning in the former agency redevelopment plan or specific, community, or general plan.***

The property address is 901 Franklin Street. The property consists of a condominium located in the basement, ground level, and a portion of the second level of the Franklin 88 building with 135 parking spaces. The total area of the condominium is 31,171 square feet. The General Plan designation is Central Business District and the zoning is CBD-P/CH: Central Business District Pedestrian Retail Commercial Zone/CH Combining Zone. The intent of the CBD-P zone is to create, maintain, and enhance areas of the Central Business District for ground-level, pedestrian-oriented, active storefront uses. Upper story spaces are intended to be available for a wide range of office and residential activities. The CH combining zone allows for expanded commercial uses in the core of the Chinatown commercial area which is located within the boundaries of the Lake Merritt Station Special Plan Area. When a base zone such as CBD-P is combined with the



CH combining zone, the permitted uses of the combining zone supersede the base zone. The redevelopment plan for the area reinforces the General Plan and designates the area as the Uptown Activity Area.

***(D) An estimate of the current value of the parcel including, if available, any appraisal information.***

There is no appraisal estimating the current value of the property.

***(E) An estimate of any lease, rental, or any other revenues generated by the property, and a description of the contractual requirements for the disposition of those funds.***

The Franklin 88 Garage is managed by Pacific Park Management (PPM), which operates the facility as a valet parking garage due to the use of parking lifts and tandem parking spaces. PPM also operates the residential parking component of the Franklin 88 project. During weekdays PPM may use those residential parking spaces not used by residents for public parking. PPM pays a fee in the amount of \$3,300 per month as rent. In addition, PPM has to remit 10 percent of all revenues in excess of \$237,000 but not to exceed \$275,000 to the City, and 20 percent of all revenue in excess of \$275,000. Since the City is a member of the building owner association that includes the residential owners and owner of the commercial condominium, it remits monthly association fees of \$2,302, while the remaining monthly balance of \$998 is used to pay expenses and improvements to the City's parking garages citywide, electric power for the City's traffic signals, as well as supporting staff in PWA, Traffic Engineering and other City departments.

***(F) The history of environmental contamination, including designation as a brownfield site, any related environmental studies, and history of any remediation efforts.***

The Agency received a "no further action" letter dated April 13, 2000, from the Alameda County Health Care Services Agency-Environmental Health Services Division with respect to known residual contamination of hazardous materials known to be present in the soil and groundwater underneath the property. During excavation for the Project, the developer removed and disposed of 4,700 cubic yards of superficial soils that were contaminated with lead. At this time, no additional remediation is required as the building is completed.

***(G) A description of the property's potential for transit-oriented development and the advancement of the planning objectives of the successor agency.***

The Franklin 88 Mixed-use Project is transportation-oriented development. The building is close to the 12th Street Downtown BART station which serves the Richmond/Daly City-Millbrae, Fremont/Richmond, and Pittsburg/Bay Point-San Francisco Airport/Millbrae lines. AC Transit routes that serve the area include the 1 and 1R lines.

***(H) A brief history of previous development proposals and activity, including the rental or lease of property.***

The property was developed as part of the Franklin 88 Mixed-use Project pursuant to the terms of a Disposition and Development Agreement between the Redevelopment Agency and SNK. At this time, the property consists of a fully operational public parking garage, and there are no plans to redevelop or lease the property.

***(I) The use or disposition of the property.***

The property will be marketed and sold by ORSA for maximum value.

## **D.2. 822 Washington Street**

This property is commonly called the “8<sup>th</sup> and Washington lot.” It is a City-owned property located in the heart of the Old Oakland District in Oakland, California. It is located on a portion of the block bounded by 8<sup>th</sup> Street, 9<sup>th</sup> Street, Broadway and Washington Street. More specifically, the site is in the middle of the block on Washington Street, between 8<sup>th</sup> Street and 9<sup>th</sup> Street. The property is currently used for surface parking and is part of a larger surface parking lot.

***(A) The date of the acquisition of the property and the value of the property at that time, and an estimate of the current value of the property.***

The Redevelopment Agency acquired this parcel on December 16, 1985.

The property was transferred to the City by the Redevelopment Agency on January 31, 2012, pursuant to a Purchase and Sale Agreement between the City and the Redevelopment Agency entered into on March 3, 2011.

***(B) The purpose for which the property was acquired.***

The property was acquired to facilitate new construction in Old Oakland. However, the property owner of all parcels surrounding the property, Peter Sullivan and Associates, has not yet decided to develop his land and acquire the property from the Agency for that purpose.

***(C) Parcel data, including address, lot size, and current zoning in the former agency redevelopment plan or specific, community, or general plan.***

The property address is 822 Washington Street and its parcel number is 001-0201-010-00. According to the Alameda County records, this parcel is 0.17 acres or 7,580 square feet in size.

The General Plan designation is Central Business District and the Zoning is CBD-P/S-7 Central Business District Pedestrian Retail Commercial Zone combined with the Preservation Zone. The intent of the CBD-P zone is to create, maintain, and enhance areas of the Central Business District for ground-level, pedestrian-oriented, active storefront uses. Upper story spaces are intended to be for a wide range of office and residential activities. The zoning of CBD also intends to:

7. Encourage, support, and enhance the Central Business District as a high density, mixed use urban center of regional importance and a primary hub for business, communications, office, government, urban residential activities, technology, retail, entertainment, and transportation.
8. Encourage, support, and enhance a mix of large-scale offices, commercial, urban high-rise residential, institutional, open space, cultural, educational, arts, entertainment, services, community facilities, and visitor uses.

9. Enhance the skyline and encourage well-designed, visually interesting, and varied buildings.
10. Encourage and enhance a pedestrian-oriented streetscape.
11. Encourage vital retail nodes that provide services, restaurants, and shopping opportunities for employees, residents, and visitors.
12. Preserve and enhance distinct neighborhoods in the Central Business District.

The redevelopment plan for the area reinforces the General Plan and designates the area as the Victorian Row/Old Oakland Activity Area. Project objectives for this area include preserving historical and architectural facades and the creation of appropriate mix of office, retail, and related commercial activities that cater to pedestrian interest at the ground floor level.

***(D) An estimate of the current value of the parcel including, if available, any appraisal information.***

The most current appraisal was dated January, 31, 2006 and was prepared by the City of Oakland's Real Estate Division. Under the appraisal, the site had an estimated range of value from \$1,096,000 or \$145 per square foot to \$1,323,000 or \$175 per square foot. Previous appraisals were also conducted in 2002, 2003, and 2005. The current value of the property is likely between \$70 and \$90 per square foot or about \$600,000.

***(E) An estimate of any lease, rental, or any other revenues generated by the property, and a description of the contractual requirements for the disposition of those funds.***

The property is currently a surface parking lot leased out to Peter Sullivan and Associates ("PSA"). PSA subleases the lot to a parking operator. The Agency receives \$2,400 per month for the lease.

***(F) The history of environmental contamination, including designation as a brownfield site, any related environmental studies, and history of any remediation efforts.***

There is no information about any environmental contamination present on the site.

***(G) A description of the property's potential for transit-oriented development and the advancement of the planning objectives of the successor agency.***

Located in the heart of Old Oakland, next to Broadway, this site is served by both Bay Area Regional Transit (BART 12<sup>th</sup> Street – City Center Station) and Alameda/Contra Costa (AC) Transit. The Broadway Shuttle also runs along Broadway, serving as a connection from the Valdez-Triangle area, through the Uptown District, City Center, Chinatown, Old Oakland, to Jack London. BART routes that serve the Project area include the Richmond/Daly City-Millbrae, Fremont/Richmond, and Pittsburg/Bay Point-San Francisco Airport/Millbrae lines. AC Transit routes that serve the area include the 11, 20, 31, 51A, 58L, 62, 72, 72M, 72R, 611, 651, 851, BSD, and BSN lines.

The parcel is zoned for retail commercial use. It is also an ideal site for transit-oriented development. Development of this parcel will add potential housing supply or commercial variety to this existing community.

***(H) A brief history of previous development proposals and activity, including the rental or lease of property.***

The Agency and Peter Sullivan and Associates were in discussions in 2006 about the sale of the property but could not agree on a sale price. Since then, the property has been leased to Peter Sullivan and Associates for the purpose of operating a surface parking lot on the property.

***(I) The use or disposition of the property.***

The property will be marketed and sold by ORSA for maximum value.

### **D.3. 8280 MacArthur Boulevard**

This property is a four unit residential apartment building. It is one of several blighted sites that have been the source of significant criminal activity near the intersection of 82nd Avenue and MacArthur Boulevard, a major corridor in East Oakland. The subject site was boarded when it was purchased through foreclosure. Although the subject property has undergone recent renovations it remains unoccupied. The owner has had problems finding qualified occupants. The owner attempted to register the site as a rental property with the Oakland Housing Authority Section 8 Program; however, OHA would not issue occupancy vouchers for the site because it did not meet OHA's safe, decent and affordable guidelines.

***(A) The date of the acquisition of the property and the value of the property at that time, and an estimate of the current value of the property.***

The Redevelopment Agency acquired the property from Yan Li Liang on August 4, 2011 for \$230,000, plus a \$10,000 credit towards refuse liens and \$2,021 in closing costs, a total of \$242,021.

***(B) The purpose for which the property was acquired.***

The property was acquired by the Redevelopment Agency with the intent to demolish the four unit building and redevelop the site with a use that would enhance the area and is less likely to attract crime.

***(C) Parcel data, including address, lot size, and current zoning in the former agency redevelopment plan or specific, community, or general plan.***

The parcel is located at 8280 MacArthur Blvd, the 3,500 square foot building located on a 6,700 square foot lot. The parcel is currently zoned RU-4 Urban Residential with a 4 category density designation.

***(D) An estimate of the current value of the parcel including, if available, any appraisal information.***

The most recent determination of value for the site was prepared on September 15, 2010 by Yovino-Young Inc. At that time the value was estimated to be \$220,000. The general real estate market has not changed significantly, and the current value is still estimated to be \$220,000.

***(E) An estimate of any lease, rental, or any other revenues generated by the property, and a description of the contractual requirements for the disposition of those funds.***

There are no current leases on the site. The building has been boarded up and needs to be demolished.

Since subject parcel was acquired using Central City East Redevelopment Project Area Tax Allocation Series 2006 (Taxable) Bond Funds, any revenue or disposition proceeds generated by

the property are or would be restricted bond proceeds and could only be used for redevelopment purposes consistent with the bond covenants.

***(F) The history of environmental contamination, including designation as a brownfield site, any related environmental studies, and history of any remediation efforts.***

There are no records of environmental issues or remediation efforts for this site.

***(G) A description of the property's potential for transit-oriented development and the advancement of the planning objectives of the successor agency.***

This property would not qualify as a transit oriented site nor does it advance the planning objectives of the successor agency.

***(H) A brief history of previous development proposals and activity, including the rental or lease of property.***

There are no known previous development proposals. There were no tenants at the time of acquisition.

***(I) The use or disposition of the property.***

The property will be marketed and sold by ORSA for maximum value.

#### **D.4. 8296 MacArthur Boulevard**

This property is currently a vacant lot which formerly had a four unit residential apartment building on site. It is one of several blighted sites that have been the source of significant criminal activity near the intersection of 82nd Avenue and MacArthur Boulevard, a major corridor in East Oakland. The four-plex was completely demolished and cleared in 2011 after it was purchased by the Redevelopment Agency.

***(A) The date of the acquisition of the property and the value of the property at that time, and an estimate of the current value of the property.***

The Redevelopment Agency acquired the property from US Bank National Association on May 20, 2010 for \$201,000, plus \$5,067.33 in closing costs, a total of \$206,067.33.

***(B) The purpose for which the property was acquired.***

The property was acquired by the Redevelopment Agency with the intent to eliminate criminal activity and numerous calls for service as well as eliminate blight by demolishing the four-plex and redevelop the site with a new compatible use that would enhance the area.

***(C) Parcel data, including address, lot size, and current zoning in the former agency redevelopment plan or specific, community, or general plan.***

The parcel is located at 8296 MacArthur Blvd on a 6,000 square foot lot. The 3,690 square foot apartment building was demolished in 2011. The parcel is currently zoned RU-4 Urban Residential with a 4 category density designation.

***(D) An estimate of the current value of the parcel including, if available, any appraisal information.***

The most recent determination of value for the site was prepared on October 14, 2009 by Yovino-Young Inc. At that time the value was estimated to be \$200,000. Although the general real estate market has not changed significantly the parcel would be marketed as a vacant lot. The vacant lot has not been recently appraised.

***(E) An estimate of any lease, rental, or any other revenues generated by the property, and a description of the contractual requirements for the disposition of those funds.***

There are no current leases on the site.

Since subject parcel was acquired using Central City East Redevelopment Project Area Tax Allocation Series 2006 (Taxable) Bond Funds, any revenue or disposition proceeds generated by the property are or would be restricted bond proceeds and could only be used for redevelopment purposes consistent with the bond covenants.



***(F) The history of environmental contamination, including designation as a brownfield site, any related environmental studies, and history of any remediation efforts.***

There are no records of environmental issues or remediation efforts for this site.

***(G) A description of the property's potential for transit-oriented development and the advancement of the planning objectives of the successor agency.***

This property would not qualify as a transit oriented site nor does it advance the planning objectives of the successor agency.

***(H) A brief history of previous development proposals and activity, including the rental or lease of property.***

There are no known previous development proposals. There were no tenants at the time of acquisition and the building was demolished.

***(I) The use or disposition of the property.***

The property will be marketed and sold by ORSA for maximum value.

## **D.5. 73rd Ave & International Boulevard**

This property consist of two vacant and empty lots on the southeast corner of 73<sup>rd</sup> and International Boulevard which were purchased from the City with the intent to incorporate the parcels into the International Boulevard Streetscape Project as well as the proposed AC Transit Bus Rapid Transit improvements. The parcels are currently properly secured with perimeter fencing and require routine minimal maintenance.

***(A) The date of the acquisition of the property and the value of the property at that time, and an estimate of the current value of the property.***

On May 27, 2004, the City purchased (7318 International Boulevard only) from a private family trust for \$391,105. The City originally acquired the parcel to complete the International Boulevard Streetscape Project. On November 3, 2003, Yovino Young Inc. appraised 7318 International Blvd (land only) for \$150,000. On February 6, 2002, Donna Desmond Associates appraised 7318 International Boulevard (income approach for advertising billboard lease) for \$163,000. The combined appraised values (\$313,000) from Yovino Young (\$150,000) for the land only and from Donna Desmond (\$163,000) leased fee of the billboard formed the basis for the negotiated purchase price of \$391,105.

The Redevelopment Agency subsequently acquired the two parcels from the City in 2008 based on an appraisal dated September 8, 2008 from J.W. Tom and Associates which appraised the Property (including the two Assessor's Tax Parcels without the billboards) for \$290,000.

***(B) The purpose for which the property was acquired.***

The property was acquired by the Redevelopment Agency with the intent to incorporate the parcels into the planned International Boulevard Streetscape Improvements as well as the proposed AC Transit Bus Rapid Transit improvements.

***(C) Parcel data, including address, lot size, and current zoning in the former agency redevelopment plan or specific, community, or general plan.***

The two contiguous parcels have a combined total of 5,435 square feet and are located on the southeast corner of 73<sup>rd</sup> Avenue and International Blvd with 7318 International Blvd (APN: 040-3317-32) consisting of a 3,670 square feet and the 73<sup>rd</sup> Avenue parcel (APN: 040-3317-048-13) consisting of 1,765 square feet. The parcels are currently zoned CC-2 Community Commercial.

***(D) An estimate of the current value of the parcel including, if available, any appraisal information.***

On September 8, 2008, J.W. Tom and Associates appraised the Property (including the two Assessor's Tax Parcels without the billboards) for \$290,000. Except for commercial development for owner-use or government facility, affordable residential development is the most probable use even if the Property has frontage on International Blvd. and 73<sup>rd</sup> Avenue. (both streets have relatively high traffic counts). Although the general real estate market has not

changed significantly the parcels would be marketed as vacant lots. The vacant lots have not been recently appraised.

Since subject parcel was acquired using Coliseum Redevelopment Project Area Tax Allocation Series 2006 (Taxable) Bond Funds, any revenue or disposition proceeds generated by the property are or would be restricted bond proceeds and could only be used for redevelopment purposes consistent with the bond covenants.

***(E) An estimate of any lease, rental, or any other revenues generated by the property, and a description of the contractual requirements for the disposition of those funds.***

The City prevailed through court order in 2005, which required Viacom to remove the existing billboard from the 7318 International Blvd property and there have been no subsequent leases on either parcel.

***(F) The history of environmental contamination, including designation as a brownfield site, any related environmental studies, and history of any remediation efforts.***

There are no records of environmental issues or remediation efforts for this site.

***(G) A description of the property's potential for transit-oriented development and the advancement of the planning objectives of the successor agency.***

This property would not qualify as a transit oriented site nor does it advance the planning objectives of the successor agency.

***(H) A brief history of previous development proposals and activity, including the rental or lease of property.***

There are no known previous development proposals.

***(I) The use or disposition of the property.***

The property will be marketed and sold by ORSA for maximum value.

## **D.6. 8th Street & Filbert Street**

This property is located in West Oakland in the Acorn Redevelopment Area. It consists of a single “L” shaped parcel on a level lot which is +/-9,385 square feet. The parcel is located on 8<sup>th</sup> Street between Filbert Street, 827 Myrtle Street and 980 8th Street. The zoning is RM-1. The parcel has an improved parking lot and landscaping that is used by the proposed buyer for their business. Patrons of the mortuary use the parking lot while attending funeral services.

Prior to November 8, 2006 the mortuary was owned by Williams Acquisition Corporation who leased the abutting “L” shaped property from the Redevelopment Agency. The monthly rent was \$3,080. The annual rent was \$36,960. The annual rent was based on a 9.7263% rate of return when the “L” shaped lot had a market value of \$380,000. On November 9, 2006 Williams Acquisition Corporation sold the mortuary to 5500 Foothill Association, LLC who is the current owner and occupant. Real Estate staff has been trying to negotiate the sale of the “L” shaped lot to 5500 Foothill Association, LLC since they took ownership. If the Agency were to rent the “L” shaped property to 5500 Foothill Association, LLC using the same rate of return and the current market value of \$130,000, the monthly rent would be \$1,053.68. The annual rent would be \$12,644.

***(A) Parcel data, date(s) of the acquisition of the property, value of the property at the time of acquisition, estimate of current value of the property.***

Acquisition date: 1969

Appraised Value at Acquisition: data not in file

Estimated current value: \$130,000

***(B) The purpose for which the property was acquired.***

This is a small remainder site from the Bayporte assisted ownership housing project which developed 67 detached single family homes. The Agency originally purchased the site in 1969 when the area was first redeveloped as Acorn, an assisted affordable rental housing community. The neighboring mortuary was built in 1959 and was left in place when the rest of the block was redeveloped. The small strip on both sides of the mortuary was left as a transitional space to be used for parking for the existing mortuary when the rest of the block was redeveloped.

***(C) Parcel data, including address, lot size, and current zoning in the former agency redevelopment plan or specific, community, or general plan.***

Address: 8<sup>th</sup> Street between Filbert Street, 827 Myrtle Street and 980 8th Street

Size: +/-9,385 square feet

Zoned: RM-1

Redevelopment Plan: The sale of the property to 5500 Foothill Association, LLC will relieve the Agency of ongoing liability and maintenance costs and will return the property to the tax rolls. Selling this property will maximize the Agency’s economic and non-economic return and reduce future litigation exposure.

***(D) An estimate of the current value of the parcel including, if available, any appraisal information.***

\$130,000. A current appraisal is not available at this time.

***(E) An estimate of any lease, rental, or any other revenues generated by the property, and a description of the contractual requirements for the disposition of those funds.***

The premises are not leased at this time.

***(F) The history of environmental contamination, including designation as a Brownfield site, any related environmental studies, and history of any remediation efforts.***

The parcel has had a finished parking lot with approximately 20 spaces for many years. There are no reports available regarding environmental contamination or remediation efforts.

***(G) A description of the property's potential for transit-oriented development and the advancement of the planning objectives of the successor agency.***

This parcel is approximate eight blocks from the West Oakland BART Station, but because of its small irregular shape it has little development potential.

***(H) A brief history of previous development proposals and activity, including the rental or lease of property.***

Prior to November 8, 2006 the mortuary was owned by Williams Acquisition Corporation who leased the abutting "L" shaped Property from the Redevelopment Agency. The monthly rent was \$3,080. The annual rent was \$36,960. The value of the land has since fallen but acquisition of the site is sought by 5500 Foothill Association, LLC the new business owner. The sale of the property to 5500 Foothill Association, LLC is recommended. The Agency has determined that calling for bids on a competitive basis is impractical due to the zoning, small size and irregular shape of the parcel it only has significant value to the abutting property owner.

***(I) The use or disposition of the property.***

The property will be marketed and sold by ORSA for maximum value.

## **D.7. 1606 & 1608 Chestnut Street**

This property is located in West Oakland in the Oak Center Redevelopment Area. It consists of a two small parcels on a level lots which combined are 3,018 square feet. These are remainders from prior redevelopment scattered site project and are vacant.

***(A) Parcel data, date(s) of the acquisition of the property, value of the property at the time of acquisition, estimate of current value of the property.***

- Acquisition date: 1971
- Appraised Value at Acquisition: data not available
- Estimated current value: data not available

***(B) The purpose for which the property was acquired.***

These were part of residential development projects, most of which took place over 30 years ago. These are remainder sites from this early development.

***(C) Parcel data, including address, lot size, and current zoning in the former agency redevelopment plan or specific, community, or general plan.***

Address: 1606 & 1608 Chestnut Street  
Size: 3,000 sq ft total (1,500 per lot)

The parcels are small and would only be considered a developable site if combined together.. Under the Oak Center Urban Renewal Plan all of the parcels are designated for residential re-use. They are classified as Mixed Housing Type Residential in the General Plan, which is intended to create, maintain, and enhance residential areas typically located near the City of Oakland's major arterials and characterized by a mix of single family homes, duplexes, townhouses, small multi-unit buildings, and neighborhood businesses where appropriate. Their zoning is RM-2 Mixed Housing Type Residential Zone – 2

***(D) An estimate of the current value of the parcel including, if available, any appraisal information.***

A current appraisal is not available at this time. Combined, the two parcels may be developable as a single family home

***(E) An estimate of any lease, rental, or any other revenues generated by the property, and a description of the contractual requirements for the disposition of those funds.***

The Agency is not leasing the parcels.

***(F) The history of environmental contamination, including designation as a Brownfield site, any related environmental studies, and history of any remediation efforts.***

There was no information for these sites. The environmental issues may have been studied as part of the earlier project, at least to the extent required by state and federal laws at the time, but the records for this work are not available.

***(G) A description of the property's potential for transit-oriented development and the advancement of the planning objectives of the successor agency***

Although the site is less than a mile from two BART Stations and near two bus lines, it does not have the capacity for more than two residential units. As such, it has little opportunity potential for transit-oriented development or the advancement of the planning objectives of the successor agency.

***(H) A brief history of previous development proposals and activity, including the rental or lease of property.***

The area had a focus of infill residential development. There were numerous residential rehabilitation and small infill projects as well as a few larger residential developments.

***(I) The use or disposition of the property.***

The property will be marketed and sold by ORSA for maximum value.

## D.8. Oak Center Remainder Parcels

There are seven remainder parcels from old projects in the Oak Center Redevelopment Area. These parcels are small – 109 square feet to 1,250 square feet – irregular and in several cases land locked. There are therefore undevelopable and have little to no value. ORSA proposes to transfer these sites to neighboring property owners at no cost. There will be staff costs, part of the current budgets approved for early FY 2013-14, and some costs to record the sales.

***(A) The date of the acquisition of the property and the value of the property at that time, and an estimate of the current value of the property.***

Most of the properties were acquired in the late 1960's or early 1970's or the date of purchased is not recorded. The properties were purchased as part of larger sites that were subsequently sold and developed. The value for these sites was booked with the larger parcels and the remainder parcels have carried no value on the Redevelopment Agency books.

***(B) The purpose for which the property was acquired.***

These are remainders from larger sites that were purchased for the 14<sup>th</sup> Street widening project and for development projects, including Oak Center Homes scattered sites and Oak Center Tower. The projects were completed but small remainder sites stayed with the Redevelopment Agency.

***(C) Parcel data, including address, lot size, and current zoning in the former agency redevelopment plan or specific, community, or general plan.***

The parcels are small, irregular, often narrow and land locked. Under the Oak Center Urban Renewal Plan all of the parcels are designated for residential re-use. They are classified as Mixed Housing Type Residential in the General Plan, which is intended to create, maintain, and enhance residential areas typically located near the City of Oakland's major arterials and characterized by a mix of single family homes, duplexes, townhouses, small multi-unit buildings, and neighborhood businesses where appropriate. They fall into two zoning classifications: RM-2 Mixed Housing Type Residential Zone – 2; and RM-4 Mixed Housing Type Residential Zone - 4. The specific details for the parcels are shown in the following table:

Number	Street	Parcel Number	Area (sq ft)	Date of Purchase	Zoning
1	Market Street	003-0049-001-12	109	NA	RM-2/S-20
2	Magnolia Street	004-0035-001-02	360	NA	RM-2/S-20
3	14th Street	004-0035-002-07	139	NA	RM-2/S-20
4	1333 Adeline Street	008-0642-005-02	348	10/10/1969	RM-2/S-20
5	Union Street	004-0035-003-02	1,249	NA	RM-2/S-20
6	Myrtle Street	005-0383-002-02	199	5/17/1968	RM-2/S-20
7	14 <sup>th</sup> Street	005-0383-014-03	1,250	NA	RM-4/S-20



***(D) An estimate of the current value of the parcel including, if available, any appraisal information.***

Current appraisals are not available but given the size and other limiting factors the sites have little or no value.

***(E) An estimate of any lease, rental, or any other revenues generated by the property, and a description of the contractual requirements for the disposition of those funds.***

There is no current revenue and given the size and usability of these parcels it is unlikely that has been any revenue since the surrounding projects were completed.

***(F) The history of environmental contamination, including designation as a Brownfield site, any related environmental studies, and history of any remediation efforts.***

There was no information for the remainder sites. The original projects would have looked at the environmental issues to the extent required by state and federal laws at the time. But the records for this work are not available.

***(G) A description of the property's potential for transit-oriented development and the advancement of the planning objectives of the successor agency.***

There is no potential for transit-oriented development, or any other development. The sites are too small to be developed.

***(H) A brief history of previous development proposals and activity, including the rental or lease of property.***

The remainder parcels were part of larger sites that were used to develop a number of projects, including: 14<sup>th</sup> Street widening project; and Oak Center Homes scattered sites and Oak Center Tower development projects.

***(I) The use or disposition of the property.***

The property will be marketed and sold by ORSA to neighboring property owners.



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MEMORANDUM

TO: Daniel Rossi, Senior Deputy City Attorney  
City of Oakland

FROM: Stephen Melikian, Jones Hall, A Professional Law Corporation

DATE: June 28, 2013

RE: Treatment of Recycled Bond Proceeds

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INTRODUCTION

The Redevelopment Agency of the City of Oakland (the "Original Agency") has heretofore issued several series of both tax exempt and taxable tax allocation bonds (the "Tax Exempt Bonds" and the "Taxable Bonds" respectively and, collectively, the "Bonds"). Pursuant to the provisions of California Assembly Bill X1 26 (the "Dissolution Act"), which amended provisions of the California Redevelopment Law, being Health and Safety Code Section 33000, et.seq. (as amended, the "CRL") and the California Supreme Court's decision in California Redevelopment Association v. Matosantos, the Original Agency was dissolved on February 1, 2012 and, on February 1, 2012, the City, and later the Oakland Redevelopment Successor Agency (the "Successor Agency"), in accordance with and pursuant to the Dissolution Act, assumed the duties and obligations of the Original Agency as provided in the Dissolution Act, including all of the rights and obligation of the Original Agency with respect to the Tax Exempt Bonds and the Taxable Bonds.

You have informed us that in several instances that loans made with the proceeds of the Bonds have been repaid, or property purchased with the proceeds of the Bonds was sold for current consideration. Due to advice we provided you prior to the passage of the Dissolution Act, you have, to date, been treating both the loan repayments and the payment for property as recycled proceeds of the Bonds (the "Recycled Proceeds"). You have requested our views regarding how these Recycled Proceeds should be treated in light of the Dissolution Act.

We have previously shared with you a memorandum prepared by our tax partner, David Walton, generally relating to the treatment of recycled proceeds of tax exempt bonds. As we



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believe that the tax covenants contained in the various bond documents relating to the issuance of the Tax Exempt Bonds clearly require that the advice in Mr. Walton's memorandum should be followed by the City and Successor Agency, this memorandum will only address the treatment of the Recycled Proceeds of the Taxable Bonds

### QUESTION PRESENTED

How should the City and the Successor Agency treat the Recycled Proceeds of the Taxable Bonds?

### CONCLUSION

The City and the Successor Agency should treat the Recycled Proceeds of the Taxable Bonds the same as it treats original proceeds of the Taxable Bonds.

### DISCUSSION

The Original Agency issued its first series of bonds for each project area and for low and moderate income housing pursuant to separate indentures of trust, utilizing supplemental indentures for subsequent parity financings. Each of these indentures, and each of the supplements to these indentures, established a fund (the "Project Fund") to be held by the Trustee into which bond proceeds were deposited for purposes of financing the applicable redevelopment project. For example, Section 22.03 of the Third Supplemental Indenture between the Original Agency and The Bank of New York Mellon Trust Company, N.A., pursuant to which the Original Agency's Central District Redevelopment Project Subordinated Tax Allocation Bonds, Series 2009T (Federally Taxable) were issued, states, in part, as follows:

(a) There is hereby continued the Central District Redevelopment Project Redevelopment Fund (the "Redevelopment Fund"), which is held by the Trustee in trust for the benefit of the Agency. There is hereby established within the Redevelopment Fund an account to be held by the Trustee and to be known as the "Series 2009T Account". The moneys in the Series 2009T Account of the Redevelopment Fund shall be maintained separate and apart from other moneys of the Agency. The moneys on deposit in the Series 2009T Account of the Redevelopment Fund shall be used in the manner provided by the Law solely for the purpose of aiding in financing the Redevelopment Project, including, without limitation, the payment of any unpaid Costs of Issuance with respect to the Series 2009T Bonds. The Agency covenants that no funds on deposit in the Series 2009T Account of the Redevelopment Fund shall be applied for any purpose not authorized by the Law. Prior to their disbursement, amounts on deposit in the Series 2009T Account of the Redevelopment Fund may be invested in any investments in which the Agency is legally able to invest its funds, including Permitted Investments.

Prior to the passage of the Dissolution Act, bond counsel and redevelopment counsel firms generally advised their clients that Recycled Proceeds of taxable bonds should be deposited back into the fund that contained the original bond proceeds and continue to be used

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for eligible redevelopment purposes, subject to the same restrictions under the CRL that governed the original bond proceeds. There were two separate reasons for this approach.

First, when spending proceeds of tax increment bond, redevelopment agencies were limited to only those uses for which tax increment revenues could be spent. Additionally, all of the requirements that redevelopment agencies needed to follow, such as making benefit findings and holding public hearings, with respect to expenditures of tax increment revenues also applied to the expenditure of bond proceeds. When a situation arose where amounts so expended were "repaid", whether by a third party or by the sale of a bond financed asset, bond counsel and redevelopment counsel believed that, absent any clear direction in the CRL, the Recycled Proceeds should be subject to the same limitations that initially applied to the original bond proceeds. This approach seems to be the one that best reflects the intent of the CRL, which was to use tax increment revenue and bond proceeds derived from tax increment to fund redevelopment projects, and not for general governmental purposes. If the expenditure of Recycled Proceeds were not treated in the same manner as original bond proceeds, then a redevelopment agency could have used taxable bond proceeds to buy undeveloped land, sold the land to a developer, and used the proceeds for a variety of purposes not related to the redevelopment of the project area from which the tax increment repaying the bonds was derived. While it could be argued that bond counsel and redevelopment counsel were being overly conservative, it is worth noting again that, absent any specific guidance from the CRL, this position best reflects the policy goals contained in the CRL.

Second, Recycled Proceeds could be considered as a return on investment of the original bond proceeds, similar to the interest earned by amounts on deposit in a Project Fund. When Recycled Proceeds are viewed from that perspective, the question becomes whether "bond proceeds" means only those amounts initially deposited into the Project Fund upon the issuance of the bonds, or does it also include these Recycled Proceeds?

The common law rule is that "interest is an accretion or increment to the principal fund earning it, and unless lawfully separated therefrom becomes a part thereof." (Pomona City School District v. Payne (1935) 9 Cal. App. 2d 510,516; Board of Law Library Trustees v. Lowery (1945) 67 Cal. App. 2d 480, 482; 71 Ops. Cal. Atty. Gen. 181 (1988)). In other words, the common law rule, which has been followed by the California courts, is that interest earned on a fund remains in such fund unless there is some other law or provision that requires or permits it to be transferred to another fund. Absent specific direction either in the CRL or in the applicable indenture or supplemental indenture regarding the disposition of Recycled Proceeds of the Taxable Bonds, extending this common law rule to the treatment of Recycled Proceeds of the Taxable Bonds best provides for the use of such Recycled Proceeds in a manner consistent with the CRL.

We are not able to find any other provision in the CRL (including the dissolution Act) that provides any other guidance as to treat Recycled Proceeds. Additionally, both the indentures and the supplemental indentures pursuant to which the Taxable Bonds were issued are silent on the treatment of Recycled Proceeds. Accordingly, our advice is to continue to treat Recycled Proceeds of the Original Agency's Taxable Bonds as they have previously been treated, and to deposit them back into the applicable Project Fund, to be disbursed as required by the applicable indenture or supplemental indenture.

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A PROFESSIONAL LAW CORPORATION

**CHANGE IN USE OF BOND PROCEEDS UNDER  
THE 1997 PRIVATE ACTIVITY BOND REGULATIONS**

New final private activity bond regulations (the "Final Regulations") were released on January 10, 1997. The Final Regulations contain new and generally more flexible rules regarding the change in use of bond financed facilities and apply to all bonds issued after May 16, 1997. The Final Regulations permit an issuer to apply the provisions relating to change in use (i.e., §1.141-12) to any bonds issued before May 16, 1997, without applying the remainder of the Final Regulations to such bonds. This memorandum sets forth in general summary form some of the rules under the Final Regulations regarding a change in use of a bond financed facility. Caution, this memorandum is intended to be a general informational guide and summarizes only some of the major provisions concerning change in use. Specific proposals regarding a change in use of bond financed facilities should be discussed with a Jones Hall attorney for a complete analysis.

As a general rule, bonds are treated as private activity bonds if (i) as of the date of issue it is reasonably expected that the Private Business Tests (i.e., the private business use test and the private payment or security test) or the private loan financing test will be satisfied, or (ii) if, after the date of issue, a deliberate action is taken to cause the tests to be satisfied. A deliberate action is any action, such as a sale or lease of the bond financed facility, that is within the control of the issuer (involuntary acts are not deliberate actions). An action is not treated as deliberate action if five specified remedial action conditions are satisfied and if one of three alternative remedial actions is taken.

***Five Remedial Action Conditions***

The five required remedial action conditions that must be met are as follows:

- Reasonable Expectations. The issuer must reasonably expect on the issue date that the Private Business Tests and private loan financing test will not be met during the entire term of the bonds.
- Term Not Unreasonably Long. The term of the issue may not be unreasonably long (i.e., the weighted average maturity of the bonds may not be greater than 120 percent of the average reasonably expected economic life of the financed property).
- Fair Market Value Consideration. The terms of any arrangement resulting in satisfaction of the private activity bond tests must be bona fide and arm's-length and the new user must pay fair market value for the use of the financed property (taking into account use restrictions that serve a governmental purpose).
- Gross Proceeds for Arbitrage. Amounts received from the disposition of the property are "disposition proceeds" and must be treated as "gross proceeds" (i.e., bond proceeds) for arbitrage purposes. For temporary periods and rebate exemptions, the date of receipt of disposition proceeds may be treated as the issue date of the bonds. Also, for purposes of the expenditure exemptions to the rebate requirement, if those exemptions were satisfied before the date of receipt of the disposition proceeds, the receipt of disposition proceeds may be disregarded. Generally, prior to taking one of the remedial actions, the disposition proceeds may be invested at an unrestricted yield for (i) 3 years if an alternative use of disposition proceeds remedial action is taken, (ii) 90 days if the nonqualified bonds are redeemed, and (iii) 30 days if an escrow is created for the nonqualified bonds.
- Prior Expenditure. The proceeds affected by the deliberate action must have been expended on a governmental purpose before the action (except for a remedial action consisting of redemption of nonqualified bonds).

### *Three Alternative Types of Remedial Actions*

If each of the five remedial action conditions described above are met, then one of the following three alternative remedial actions must be taken: (i) redemption of nonqualified bonds; (ii) alternate use of disposition proceeds so as to assure that the

Private Business Tests and the private loan financing test are not satisfied; or (iii) alternate use of the facility for a qualifying purpose. The requirements for each of these alternatives are as follows:

### ***Redemption or Defeasance of Bonds***

The redemption remedial action is satisfied if all of the "nonqualified bonds" are redeemed within 90 days of the date of the deliberate action; or, if not redeemed within 90 days, a defeasance escrow is established within 90 days. Redemption may be made from proceeds of tax-exempt bonds, but only if the bonds are qualified bonds, based upon the purchaser's use of the facility (e.g., a corporation could purchase a bond-financed parcel of land for use as a solid waste disposal facility and finance the acquisition with proceeds of qualified exempt facility private activity bonds). If there is a disposition of the financed property exclusively for cash, the redemption remedy is met if the disposition proceeds (i.e., the cash) are used to redeem a pro rata portion of the nonqualified bonds equal to the disposition proceeds (taking into account redemption premium) on the first call date after the deliberate action and if such first call date occurs more than 90 days after the deliberate action, create a defeasance escrow within 90 days of the deliberate action which redeems bonds on the first call date. If the disposition is *not* exclusively for cash, the issuer must either redeem all of the nonqualified bonds within 90 days of the deliberate action or create a defeasance escrow within 90 days of the deliberate action and redeem all of the nonqualified bonds on the first call date occurring after creation of the escrow. Disposition proceeds are amounts or property (such as an agreement to provide services) derived from the sale, exchange, or other disposition of property (other than investments) provided with proceeds.

Nonqualified bonds are the percentage of outstanding bonds that equal the highest percentage of any private business use in any one-year period commencing with the deliberate action. For example, assume that 22 percent of the proceeds of bonds were used to finance a facility and a deliberate action is taken with respect to the facility (e.g., the facility is sold to a private user) resulting in 100 percent private business use of the facility. In this case, 22 percent of the outstanding bonds as of the date of the deliberate action would be nonqualified bonds. *However, as noted above, if the facility is sold exclusively for cash, only a pro rata portion of the nonqualified bonds equal to the disposition proceeds must be redeemed or a defeasance escrow must be established with respect thereto.* For example, assume that the facility is sold for \$2,000,000 cash and the nonqualified bonds

allocated to the facility are \$2,500,000, only bonds equal to a principal amount plus redemption premium of \$2,000,000 must be redeemed or an escrow established (a portion of the \$2,000,000 may be used to pay redemption premium). Assume instead of selling the facility, it is leased to a private user. In this case, all of the nonqualified bonds (\$2,500,000) must be redeemed (or an escrow established). Allocations to nonqualified bonds must be made on a pro rata basis except that, in the case of remedial action relating to redemption or defeasance, an issuer may treat bonds with longer maturities as the nonqualified bonds.

If an escrow is created, written notice must be provided to the IRS of the establishment of the escrow within 90 days of the date that it is established. An escrow may not be created (and so defeasance is not a permitted remedial action) if the period between the issue date and the first call date for the bonds is more than 10.5 years. In all cases, the defeasance escrow must provide for redemption of the bonds on their earliest call date, must be sized taking into account investment earnings (no portion of the disposition proceeds can be used to pay interest on the bonds, investment earnings on the escrow could be used to pay such interest) and may not be invested in investments having a yield higher than bond yield or in any investment under which the obligor is a user of the bond proceeds.

#### *Alternative Use of Disposition Proceeds*

Instead of using the disposition proceeds to redeem bonds, the disposition proceeds may be spent on other governmental purposes if: (A) the disposition of the property was exclusively for cash, (B) the issuer reasonably expects to spend the disposition proceeds within two years of the date of deliberate action, (C) the disposition proceeds are treated as proceeds for purposes of the Private Business Tests and the private loan financing test and are not used so as to cause satisfaction of those tests (i.e., are used for governmental purposes) and the issuer does not take action after the date of deliberate action to cause the tests to be met, and (D) proceeds not used for such alternative purpose are used for redemption or creation of a defeasance escrow as referenced above. For example, assuming that a bond financed facility was sold to a private user for \$2,000,000 cash, the \$2,000,000 of disposition proceeds could be used to pay the costs of other governmental capital projects (such as a road) with an economic life at least as long as the average life of the bonds and subject to State law limitations on the use of the proceeds. Prior to use for such purposes, the disposition proceeds may be



invested pursuant to a qualifying temporary period (possibly a 3 year temporary period depending on the facts).

If disposition proceeds are to be used by a 501(c)(3) organization, the nonqualified bonds must be treated as reissued for purposes of the private activity bond tests, the qualified 501(c)(3) bond rules, the requirements pertaining to qualified 501(c)(3) bonds and to tax-exempt bonds, and the change of use provisions of the Code.

#### *Alternative Use of Financed Facility*

Instead of "following" the proceeds, the bond-financed property may be used for an alternate use qualifying for tax-exempt bonds under the Internal Revenue Code (e.g., used for a qualified 501(c)(3) purpose by a 501(c)(3) organization). This remedial action is satisfied if (A) the financed facility is used in an alternative manner that satisfies the rules relating to tax-exemption (but not necessarily the rules regarding governmental bonds), (B) the nonqualified bonds are treated as "reissued" on the date of deliberate action for purposes of Code section requirements pertaining to alternative minimum tax, private activity bond tests, qualifying private activity bond purposes, volume cap, requirements pertaining to qualified private activity bonds (except that the limitation of Code section 147(d), relating to acquisition of existing property does not apply), limitations pertaining to tax-exempt bonds generally and change of use, (C) such requirements are satisfied through the remaining term of the bonds, and (D) the disposition is not to a purchaser that finances the acquisition with proceeds of tax-exempt bonds. For example, a governmental bond-financed hospital sold to a 501(c)(3) corporation for use as a charitable hospital would be eligible for this exception.

Any disposition proceeds resulting from the deliberate action (including installment sale proceeds) must be used for debt service on the next payment date or, within 90 days, must be deposited in an escrow restricted to bond yield and used to pay debt service on the next available payment date.

#### *Special Rules For Disposition Proceeds*

Generally, after disposition, the proceeds of an issue are treated as financing the disposition proceeds (and their ultimate use) rather than the property that has been disposed of. If, however, a disposition is through an installment sale, the proceeds of the issue continue to be allocated to the transferred property. If an issuer does not satisfy the conditions for remedial action or the issuer does not take an appropriate remedial action, the proceeds are allocable to either the transferred property or the disposition proceeds, whichever allocation produces the greater amount of private business use and private security or payments.

David A. Walton

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