

OAKLAND OVERSIGHT BOARD

MEMORANDUM

TO: Oakland Oversight Board

FROM: Gregory Hunter

SUBJECT: A Resolution Authorizing Oakland
Redevelopment Successor Agency
(ORSA) To Enter Into Temporary
License Agreements For Parcels
Owned by ORSA

DATE: May 22, 2014

ITEM: #4

EXECUTIVE SUMMARY

The Oakland Redevelopment Successor Agency (ORSA) is seeking authorization from the Oversight Board to enter into license agreements for all parcels owned by ORSA for temporary uses for terms not to exceed one year. The license agreements will pertain to the use and dates specified in the agreements, and will include standard provisions for ORSA's benefit and protection such as insurance, indemnification and the payment of a license fee in order to maximize revenue and minimize obligations and risk.

ORSA is requesting Oversight Board approval of a resolution that provides the ORSA with the authority to enter into temporary license agreements for temporary uses for terms not to exceed one year. The net fees generated from such licensing will be distributed to the taxing entities to the extent that such revenues are not restricted to particular uses or purposes by bond covenants or other restrictions.

BACKGROUND

Assembly Bill 1484 ("AB 1484"), the revised legislation dissolving redevelopment agencies enacted on June 27, 2012, requires that successor agencies prepare and submit a long-range property management plan addressing the disposition and use of real properties formerly owned by the dissolved redevelopment agency. The Oakland Redevelopment Successor Agency ("ORSA") has prepared the long-range property management plan and is awaiting approval by the State Department of Finance. ORSA can make good use of some of these properties by entering them into short-term license agreements with other private or public entities.

The duration of the license agreements are less than one year; therefore, the agreements do not require the approval of the City Council serving as the ORSA Board. (The City Council has delegated blanket authority to staff to license City property for terms less than one year, and ORSA has elected to follow the City's administrative rules including rules for the use of real property.) Since these properties are owned by ORSA, approval from the Oversight Board and review by the California Department of Finance is necessary.

FISCAL IMPACT

The fees from the license agreements will be paid to ORSA, and the net revenue will be used to pay ROPS obligations to the extent that such revenues are not restricted to particular uses or purposes by bond covenants or other restrictions. As these net revenues are used to fund ROPS obligations, the need for ORSA to request Redevelopment Property Tax Trust Fund (RPTTF) dollars for those obligations is reduced, which increases the residual amounts that are distributed to taxing entities. A review takes place every six months with the ROPS submission as part of the reporting of cash balances to ensure all unrestricted cash or reserve balances held by ORSA are used before RPTTF is requested. Therefore, the fiscal impacts to the taxing entities from such licensing will be positive.

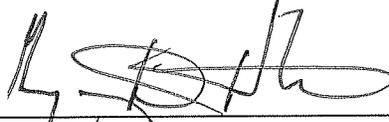
NEXT STEPS

Adoption of this legislation will authorize the Real Estate Services Division staff to inform private or public entities that the parcels are available for temporary use under license agreements.

OUTCOME

Approval of the proposed legislation will allow the Real Estate Services Division to conduct an informal process with private or public entities interested in entering into license agreements for various temporary uses.

Respectfully submitted,



Gregory Hunter
Office of Neighborhood Investment Manager
Office of Neighborhood Investment

Reviewed by:
James Golde
Real Estate Manager
Real Estate Services

Prepared by:
Thang Nguyen
Real Estate Agent
Real Estate Services

OAKLAND OVERSIGHT BOARD

RESOLUTION No. 2014-_____

**A RESOLUTION APPROVING THE OAKLAND
REDEVELOPMENT SUCCESSOR AGENCY
(ORSA) TO ENTER INTO TEMPORARY LICENSE
AGREEMENTS FOR ALL PROPERTIES OWNED
BY ORSA**

WHEREAS, Assembly Bill 1484 (“AB 1484”), the revised legislation dissolving redevelopment agencies enacted on June 27, 2012, requires that successor agencies prepare and submit a long-range property management plan addressing the disposition and use of real properties formerly owned by the dissolved redevelopment agency; and

WHEREAS, the Oakland Redevelopment Successor Agency (“ORSA”) has prepared the long-range property management plan and is awaiting approval by the State Department of Finance; and

WHEREAS, ORSA can make good use of some of these properties by entering into short-term license agreements with other private or public entities; and

WHEREAS, the fees from the license agreements will be paid to ORSA, and the net revenue will be used to pay ROPS obligations to the extent that such revenues are not restricted to particular uses or purposes by bond covenants or other restrictions, and will therefore directly benefit the taxing entities; now, therefore, be it

RESOLVED: That the Oakland Oversight Board hereby gives its approval to ORSA to negotiate and enter into license agreements for temporary uses, for license terms not to exceed one year, for real properties owned by ORSA; and be it further

RESOLVED: That, pursuant to California Health and Safety Code Section 34179(h), this action by the Oakland Oversight Board shall be effective five business days from the date of this Resolution, pending a request for review by the California Department of Finance.

ADOPTED, OAKLAND, CALIFORNIA, _____, 2014

PASSED BY THE FOLLOWING VOTE:

AYES- CARSON, GERHARD, MULVEY, ORTIZ, QUAN, TUCKER, YEE

NOES-

ABSENT-

ABSTENTION-

ATTEST: _____
SECRETARY, OAKLAND
OVERSIGHT BOARD