

OAKLAND OVERSIGHT BOARD

RESOLUTION No. 2016- 2

A RESOLUTION APPROVING THE ASSIGNMENT TO THE CITY OF OAKLAND OF THE OAKLAND REDEVELOPMENT SUCCESSOR AGENCY'S RIGHTS AND OBLIGATIONS UNDER THE CITY CENTER DISPOSITION AND DEVELOPMENT AGREEMENT WITH OAKLAND T12 LLC FOR DEVELOPMENT OF PROPERTY LOCATED AT 601 12TH STREET

WHEREAS, the Oakland Redevelopment Successor Agency ("ORSA"), the City of Oakland ("City") and Oakland T-12 LLC ("Oakland T12") are parties to a Disposition and Development Agreement ("DDA"), as amended, whereby Oakland T12 is the master developer of a twelve-block area in the Central District Redevelopment Project Area, which is commonly referred to as the City Center Project; and

WHEREAS, on December 7, 2007, pursuant to the terms of the Twelfth Amendment to the DDA, the former Redevelopment Agency ("Agency") sold Block T12 of the City Center Project ("Property") to Oakland T12 for development of an office tower ("T12 Project"); and

WHEREAS, Oakland T12 started T12 Project construction in October of 2008; and

WHEREAS, in December of 2008, Oakland T12 suspended construction on the T12 Project because of the national recession, and requested an extension of the date to complete the T12 Project; and

WHEREAS, in February 2011, pursuant to Agency Resolution No. 2010-0106 C.M.S. and City Ordinance No. 13037 C.M.S., the Agency, the City and Oakland T12 executed a Thirteenth Amendment to the DDA extending development completion deadlines for the T12 Project from April 2012 to April 2015, with two additional extension options of 12 months each; and

WHEREAS, Oakland T12 did not exercise its option to extend the development completion deadline for the T12 Project for another year past the initial deadline of April 2015; and

WHEREAS, after dissolution of the Agency in February of 2012, ORSA was established as the successor to the Agency and assumed all rights and responsibilities of the Agency under the DDA; and.

WHEREAS, in April 2015, Oakland T12 informed the City and ORSA that it was evaluating resuming construction of the T12 Project given the current momentum in the regional office market; and

WHEREAS, Oakland T12 has requested a 14th Amendment to the DDA to allow for new T12 Project start and completion dates; and

WHEREAS, the City desires to amend the DDA per the request of Oakland T12 to facilitate development of the T12 Project on the Property; and

WHEREAS, ORSA desires to assign its rights and obligations under the DDA to the City to facilitate the development of the T12 Project; and

WHEREAS, the proposed assignment of ORSA's rights and obligations under the DDA to the City will remove ORSA as a party to the agreement, remove the DDA from ORSA's Recognized Obligation Payment Schedule ("ROPS"), and allow the City to amend the DDA; and

WHEREAS, ORSA is a Responsible Agency for the project for purposes of environmental review under the California Environmental Quality Act of 1970 ("CEQA"); and

WHEREAS, ORSA has independently reviewed and considered the environmental effects of the proposed assignment of ORSA's rights and obligations under the DDA to the City; and

WHEREAS, ORSA has found and determined, after independent review and consideration, that the proposed assignment complies with CEQA because it is exempt from CEQA pursuant to Section 15061(b)(3) (general rule) of the CEQA Guidelines; 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 finds and determines that the proposed assignment of ORSA's rights and obligations under the DDA to the City, as approved by ORSA, will benefit the taxing entities because the assignment will

- (1) reduce the financial liability of the taxing entities by removing the DDA from ORSA's Recognized Obligation Payment Schedule ("ROPS"), and therefore eliminate any employee costs related to the administration of the City Center DDA ; and
- (2) increase net revenues to the taxing entities by increasing the amount of residual Redevelopment Property Tax Trust Fund ("RPTTF") funds that will flow to the taxing entities due to the elimination of the project staffing line item on the ROPS; and

(3) reduce the burden of the taxing entities to fund continued project staffing which is in the best interest of the taxing entities.

SECTION 2. The Oakland Oversight Board hereby approves the action of the ORSA board authorizing the ORSA Administrator to assign ORSA's rights and obligations under the DDA to the City.

ADOPTED, OAKLAND, CALIFORNIA March 14, 2016

PASSED BY THE FOLLOWING VOTE:

AYES- BYRD, CHAIR CARSON, MULVEY, ~~ORTIZ~~, RINNE, ~~TUCKER~~

NOES-

ABSENT- **TUCKER**

ABSTENTATIONS-

EXCUSED - ORTIZ

ATTEST:



SECRETARY OAKLAND
OVERSIGHT BOARD