



*APPRAISAL REPORT*

*Henry J. Kaiser Convention Center  
10 Tenth Street  
Oakland, California  
March 14, 2019*

G. MICHAEL YOVINO YOUNG  
MAI, SRA, ASA, FSVA  
PRESIDENT



ALISON J. F. TEEMAN  
LLB  
VICE-PRESIDENT

March 14, 2019

**Thang Nguyen**

Real Estate Agent  
Real Estate Services  
City of Oakland  
250 Frank H. Ogawa Plaza, 4<sup>th</sup> Floor  
Oakland, CA 94612

**APPRAISAL REPORT**

Re: Henry J. Kaiser Convention Center  
10 Tenth Street  
Oakland, California  
Our Reference No. 190068

**Dear Mr. Nguyen:**

At your request and authorization, we have completed an appraisal of the above-referenced property, which consists of a single parcel of land encompassing a total of ±4.79 acres (±208,842 sf). The site is improved with the historic Henry J. Kaiser Convention Center, with a building footprint of ±76,900 sf, and a total gross floor area of approximately ±199,700 sf, per City of Oakland Planning Staff.

The purpose of the appraisal is to estimate the property's market rental value as of January 25, 2019, under the terms of an assumed long term (99 year) lease. The appraisal analysis will consider the property in its "as is" condition, and its proposed future use as an entertainment venue (theater) and office complex. These conditions will form the basis for the valuation.

The intended use of the report is to assist the City of Oakland in negotiation of a proposed disposition of the property by lease (LDDA) to a Orton Development Inc (ODI)). The tenant intends to repair and redevelop the existing building into a mixed-use facility as referred to above. Under this proposed occupancy and use, the gross rentable area of the building (as determined by ODI), totals ±154,963 sf, since certain areas are excluded due to historic preservation criteria or inadequate functionality.

This appraisal is communicated in an Appraisal Report, as defined and regulated in Standard Rule 2-2) of the Uniform Standards of Professional Appraisal Practice (USPAP), effective January 1, 2018. It has been performed in accordance with standards and requirements of USPAP, and with the Code of Professional Ethics of the Appraisal Institute.

**(continued)**

G. MICHAEL YOVINO YOUNG  
MAI, SRA, ASA, FSVA  
PRESIDENT



ALISON J. F. TEEMAN  
LLB  
VICE-PRESIDENT

*The appraisal analysis is developed subject to the following conditions:*

- 1) The existing property improvements will be preserved and maintained, and not demolished, as mandated by their designation as Historic Resources;
- 2) The appraisal will consider the property in its "As Is" condition inclusive of all forms of obsolescence (physical, functional, economic).
- 3) The appraisal is subject to the terms (and assumes the execution of) the proposed LDDA between the City of Oakland, and Orton Development Inc (ODI).

Based on our investigation and analysis, it is our opinion that the market rental value of the property (expressed as annual level payments), subject to the Assumptions and Limiting Conditions contained in Section 4 of this report, as of January 25, 2019, in "as is" condition, is:

**SIX HUNDRED SEVENTY-THREE THOUSAND DOLLARS PER YEAR (\$673,000)**

*The above value conclusion presumes exposure and marketing times of one to three years, given the unique characteristics, size, and location of the property, as well as the special conditions enumerated above which limit the range of occupancies and potential tenants, and hence the marketability, of this property. The marketing history of the property is consistent with these conditions.*

Attached as Exhibit B are statements of the professional qualifications of the appraisers.

Thank you for providing us this opportunity to be of service. We will retain all relevant data and research material in file should you require further appraisal services concerning this property.

Very truly yours,  
YOVINO-YOUNG, INCORPORATED



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Peter D. Overton, MAI  
Appraiser  
Certified General R.E. Appraiser,  
California State License No. AG002631



---

G. Michael Yovino-Young, MAI, ASA  
Supervisory Appraiser  
Certified General R.E. Appraiser,  
California State License No. AG002841

Subject Property  
Henry J. Kaiser  
Convention Center, 10  
Tenth Street, Oakland,  
California

Front (south and east  
façades) and entrance to  
Convention Center Arena,  
looking westerly along  
10th Street.



West façade of Convention  
Center and entrance to  
Calvin Simmons Theater



East façade



Yovino-Young Inc.  
Our Reference No. 190068

Subject Property  
*Henry J. Kaiser  
Convention Center, 10*

*South facades and  
decorative niches*



*Decorative niche on  
north façade*



*Looking north to view of  
Lake Merritt from  
Convention Center roof*



*Yovino-Young Inc.  
Our Reference No. 190068*

**YOVINO  
YOUNG  
INCORPORATED**

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**ADDENDA**

- Exhibit A   Legal Description and Parcel Map  
Exhibit B   Professional Qualifications of the Appraiser

1. SUMMARY OF IMPORTANT FACTS AND CONCLUSIONS

**Subject Property:** Henry J. Kaiser Convention Center, 10 Tenth Street, Oakland, Alameda County, California,

**Date of Valuation:** January 25, 2019

**Zoning:** D-LM-4 Lake Merritt Station Area District Mixed-4 Commercial Zone

**General Plan:** Central Business District

**Specific Plan:** Lake Merritt Station Area District

**Historic Status** OCHS A1+, Designated Historic Property  
API, Area of Primary Importance (Lake Merritt)

**Property History:** The Henry J. Kaiser Convention Center is a multi-purpose arena and theater that opened in 1914. Originally known as the Oakland Auditorium, it was renamed in honor of Henry J. Kaiser after a 1984 renovation. The facility has been closed for approximately 13 years due to budgetary limitations preventing correction of deferred maintenance and installation of needed upgrades.

**Highest and Best Use:** Completion of proposed redevelopment into a mixed-use complex including private offices and renovation of the Calvin Simmons Theater. The proposal consists of interior and exterior building alterations, site modifications to the walkways, landscaping and parking lot to facilitate new commercial uses and upgrade the existing Calvin Simmons Theater, and former Convention Center Arena.

**Marketing / Exposure Time:** One to Three Years

**Final Rental Value Estimate:** Annual Level Payments \$673,000

2. SCOPE OF APPRAISAL ASSIGNMENT

**Client(s):** Thang Nguyen  
Real Estate Agent  
Real Estate Services  
City of Oakland  
250 Frank H. Ogawa Plaza, 4<sup>th</sup> Floor  
Oakland, CA 94612

**Intended User(s):** Client

**Purpose:** Form opinion of market rental value of the property subject to special conditions as presented below.

**Intended Use:** The intended use of the report is to assist the City of Oakland in negotiation of a proposed disposition of the property by lease to ODI. The tenant intends to repair and redevelop the existing building into a mixed-use facility, subject to an LDDA between the City and ODI.

**Date of Report** March 14, 2019

**Rights Appraised** Leasehold

**Effective Date:** January 25, 2019.

**Special Conditions:**

*The appraisal assumes:*

- 1) The existing property improvements will be preserved and maintained, and not demolished, as mandated by their designation as Historic Resources;
- 2) The appraisal will consider the property in its "As Is" condition inclusive of all forms of obsolescence (physical, functional, economic).
- 3) The appraisal analysis is subject to the terms (and assumes the execution of) the proposed LDDA between the City of Oakland, and Orton Development Inc (ODI).

**Extent of Research & Analysis:**

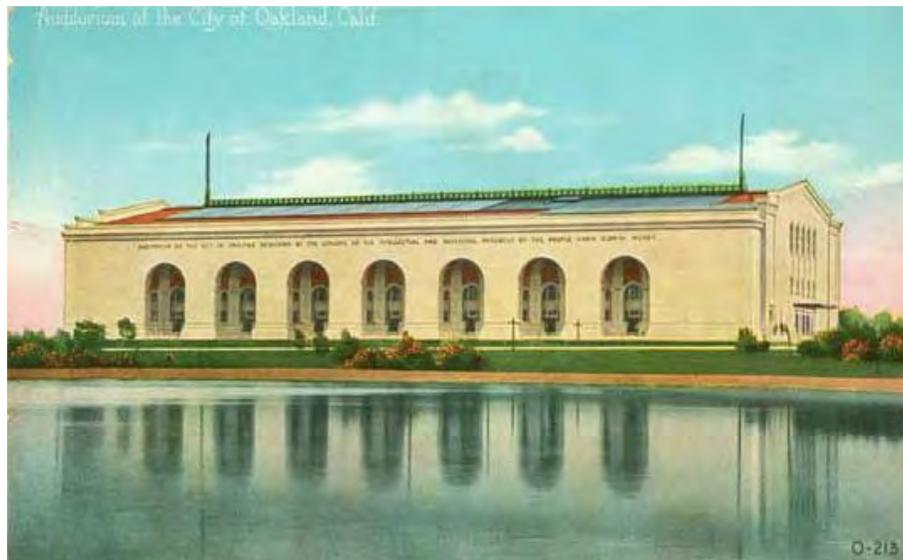
Physical inspection and verification of land and building areas, identification and analysis of applicable land use controls (zoning), review of property marketing history and proposed redevelopment and lease agreement, analysis of market conditions relevant to the subject property, investigation into relevant rentals of competitive properties, qualitative analysis of rental data, leading to conclusions supporting an estimate of market rental value.

**Valuation Methodology:**

Normally, the value of special purpose facilities is primarily measured by the Replacement Cost Approach, which includes consideration of other factors such as physical deterioration and functional and external obsolescence, and overall conditions within the subject's market area. In this case, multiple factors of accrued depreciation have now combined to dictate a change in highest and best use. The proposed project is assumed to meet the requirements of a feasible adaptive reuse of the property, and addresses all physical, legal and market requirements, by projecting rehabilitation costs and anticipated revenues over a long-term lease occupancy. Thus, the Income Capitalization Approach is the only applicable methodology for estimating the property's market rental value.

**Report Type:**

Appraisal Report (USPAP 2.2)



3. IDENTIFICATION OF THE PROPERTY

The subject property is commonly known as the Henry J. Kaiser Convention Center, 10 Tenth Street, Oakland, Alameda County, California. Public records, provide the following factual data:

Legal Description: See Title Report excepts, Assessor's Parcel Map and Aerial View attached as Exhibit A in Addenda

Owner of Record: City of Oakland

Flood Map Zone: The property is located in Flood Zone X, "area of minimal flooding" on the Federal Emergency Management Agency, Flood Insurance Rate Map 06001C0067H, effective on 12/21/2018

Seismic Zone: The property is not within a Special Study Zone as designated by the Alquist-Priolo Act.

Assessment and Tax Data: The property is a public facility and is not on tax rolls.

4. LIMITING CONDITIONS AND ASSUMPTIONS

A. General

This appraisal investigation and analysis is communicated in a Appraisal Report, as defined and regulated under Standard Rule 2-2 of the Uniform Standards of Professional Appraisal Practice (USPAP), effective January 1, 2018. Extensive background data, reasoning and analyses developed in the appraisal process for this assignment are not necessarily included in this summary report. Supporting documentation is retained in the appraisal files of Yovino-Young, Incorporated.

The information contained in this report is specific to the requirements of the named client and for the intended use stated in this report. The appraiser is not responsible for the unauthorized use of this reporting document by any third party unless prior consent is obtained.

The estimates of value and supporting conclusions presented in this appraisal represent our personal, unbiased and professional analysis of the valuation issues and objectives addressed in this assignment. These opinions and conclusions are subject to certain limiting conditions and assumptions as set forth in this section of the report.

Except as may be set forth as the specific purpose of this study, or, as special conditions stated elsewhere in this document, this appraisal is of an assumed marketable, Leased Fee interest to the property, free of debt obligations, liens, encumbrances, or any other restrictions affecting title, ownership or use of the property or properties in question. No representation is made or implied as to the actual conditions of title, ownership or encumbrances, or matters legal in nature.

Utility of the property is assumed to be restricted only by normal zoning, publicized governmental laws and governmental controls, and its use under responsible ownership and adequate management.

The appraiser does not survey the property. All statements describing parcel boundaries, dimensions, topography, utilities, and other descriptive physical information have been obtained from available official county maps and records or references as otherwise identified. The appraiser may recognize the need for and recommend the employment of other experts, but will not

render an expert opinion which may require engineering expertise as to structural conditions, soil composition, site stability or geotechnical characteristics of the property.

All statements of fact and data gathered from others for this appraisal are from sources deemed correct and reliable, and verified when possible to do so, but in no sense can they be guaranteed. Should disclosure subsequent to this appraisal indicate errors or omissions that may alter the conclusions and opinions expressed herein, the authors reserve the right to review the same and prepare an addendum setting forth the corrected facts and their effect, if any, on the original appraisal.

Under certain assumptions for special valuation problems, estimated values of limited interests and/or portions of a property need not, when combined, accurately state or coincide with the value of the property in its entirety.

**B. As Is Condition**

The property is appraised in its as is condition as of the date of valuation unless otherwise indicated elsewhere in this report, or specified under Special Conditions. It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures, which would render it more or less valuable.

**C. Special Limitations: Only Properties With Public Access**

The Americans with Disabilities Act (ADA) became effective January 26, 1992. The appraisers signing this appraisal document have not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the requirements of the ADA. The reader should be aware that if a compliance survey revealed non-compliance with one or more requirements of the Act, that a negative effect upon the value of the property might result. Unless otherwise stated in this document, we have no direct evidence relating to this issue and did not consider possible non-compliance with ADA in estimating the value of the property.

**D. Special Limitations: Possible Impairment By Hazardous Contamination**

Unless otherwise stated in this report, the existence of hazardous substances, including, without limitation, asbestos, polychlorinated biphenyls, petroleum products, urea formaldehyde, agricultural chemicals, or other adverse environmental conditions which may or may not be present on the property, were not identified to the appraiser, nor did the appraiser become aware of such conditions during the appraiser's inspection.

The appraiser has no knowledge of the existence of such materials on or in the property unless otherwise stated and is not qualified to test for such substances or conditions. The presence of such hazardous materials or environmental conditions might affect the value of the property. Therefore, the value estimate in this appraisal is predicated upon the assumption that there are no such adverse conditions on, in or under the property, or in such proximity thereto that it would cause a loss in value. No responsibility is assumed for any such conditions, nor for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in the field of environmental assessment on real estate, if subsequent investigation reveals their existence.

**E. Reservation of Authorship Rights**

All rights to this report are reserved, including the right to reproduce or to publish in whole or in part, it being understood that this report may be a portion of the services being rendered and the client may use the report incident to the specific purposes stated herein for the appraisal, without further conveyance to the public or unnamed third parties of the value conclusion, identity or the professional designations of the author unless prior written consent is obtained.

**F. Confidentiality Statement**

Appraisers who are signatories to this report and certification statement are dedicated to upholding the confidentiality of the appraiser-client relationship regarding the disclosure of personal, financial or other information provided the appraiser that has been identified by the client as

confidential under the definitions provided in the Ethics Rule of the Uniform Standards of Professional Appraisal Practice, and/or identified in the Gramm-Leach-Bliley Act of 1999.

**G. Limitations on Obligation to Perform Services**

Submission of this appraisal constitutes full completion of the requested service and does not obligate the author to any subsequent consultation, services prerequisite to a legal action, or testimony in a deposition or trial, unless specific arrangements are made prior to the rendering of such services.

**H. Special Conditions**

The appraisal assumes:

The appraisal analysis is developed subject to the following conditions:

- 1) The existing property improvements will be preserved and maintained, and not demolished, as mandated by their designation as Historic Resources;
- 2) The appraisal will consider the property in its "As Is" condition inclusive of all forms of obsolescence (physical, functional, economic).
- 3) The appraisal is subject to the terms (and assumes the execution of) the proposed LDDA between the City of Oakland, and Orton Development Inc (ODI).

The rental value conclusion presumes exposure and marketing times of one to three years, given the unique characteristics, size, and location of the property, as well as the special conditions enumerated above which limit the range of occupancies and potential tenants, and hence the marketability, of this property. The marketing history of the property is consistent with these conditions.

5. DEFINITION OF MARKET VALUE

Market Value means the most probable price that a property should bring in a competitive and open market under all conditions requisite to a fair sale; the buyer and seller, each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus.

Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. buyer and seller are typically motivated;
2. both parties are well informed or well advised and each acting in what he or she considers his or her own best interest;
3. a reasonable time is allowed for exposure in the open market;
4. payment is made in terms of cash in U.S. dollars or in terms of financial arrangements compared thereto;
5. the price represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

Source: (12 F.C.R. Part 34.42(g) 55 Federal Register 34696. August 24, 1990, as amended 57 Federal Register, April 9, 1992, Federal Register 39499, June 7, 1994. This source for the above definition is cited in the Dictionary of Real Estate Appraisal, Fifth Edition, The Appraisal Institute, page 123.

Market Rent is defined in the Appraisal Institute's 12th Edition of the Appraisal of Real Estate as follows:

"Market rent is the rental income that a property would most probably command in the open market; it is indicated by the current rents paid and asked for comparable space as of the date of the appraisal."

6. INTRODUCTION TO THE APPRAISAL

This appraisal is undertaken to determine the market rental value of the Henry J. Kaiser Convention Center (HJKCC). The property has been designated a significant local landmark and historic resource, and must be protected and maintained under applicable laws and City of Oakland ordinances. At the same time, the age and condition of the building is such that deferred maintenance and various forms of obsolescence have rendered it practically unusable.

The facility was originally developed in 1914, and was renovated in 1985 at a cost of \$15,000,000. Twenty years later it was closed by the City of Oakland in the face of mounting repair and maintenance costs, and declining demand for theater and convention space. Since then, ongoing basic maintenance of the vacant historic structure has climbed to approximately \$75,000 per year.

For consistency, references to the existing building and its historical occupancy and use, cite a total gross building area of ±199,700 square feet (sf) of gross floor area. This figure is based on sum of floor areas as shown in City of Oakland Staff Report to the Landmarks Preservation Advisory Board (Case File Number PLN17101), dated February 4, 2019. We also refer to our files which include copies of original architectural drawings of the building.

In contrast, for purposes of analyzing the functionality and highest and best use of the property under the proposed project by ODI, and determination of market rent, the gross rentable area total of ±154,963 sf. This figure is deemed the most relevant to the problem of establishing the market rental value of the property.

Various proposals for re-use of the OCA have been promoted since it was closed, including redevelopment into a public library, sale to the Peralta Community College District, and others. In 2014-2015, the City, after releasing a request for proposals, began reviewing two competing proposals for re-use, which were formally considered by the Oakland City Council. In 2015 the City selected ODI as the winning applicant, and the parties entered into an Exclusive Negotiating Agreement (ENA) to accommodate the necessary due diligence to move the project forward.

It has been understood from the start that the structure of the agreement between the City and ODI would be in the form of a long-term lease, as City

policy in Oakland favors disposition of City property by lease and not by sale.

What followed was a process of determining under what terms the City and ODI would coordinate redevelopment and reuse of the property. The applicant (ODI) also consulted with, and submitted applications and design concept plans to the State Historic Preservation Office (SHPO), and the National Park Service (NPS). In order to qualify for Historic Rehabilitation Tax Credits, a project needs to conform with the Secretary of the Interior Standards (SOIS) for rehabilitation.

In the meantime, ODI has surveyed and carefully studied the property to understand the probable rehab and development costs, and to ascertain what type of occupancy would be feasible given the requirements of both the City and the historic preservation authorities. Further, ODI has developed a draft construction and operating proforma, based on estimated costs and rental revenues. The proforma is reflected in a draft Lease Disposition and Development Agreement (LDDA) which sets out sources of capital, division of rental revenues over time, and types of sub-tenants and occupancy etc.

Thus, the above historical sketch outlines the process of a market transaction in which the parties (both self-interested and well informed) have reached an agreement to enter into a lease which they each believe to be sustainable, and capable of meeting their own goals and needs. This situation is somewhat unique, insofar as its "market" context involves what are in all probability the only credible participants. It is therefore difficult to assess since there is little demand for deteriorating older buildings which require preservation and creative approaches to rehabilitation and future sustainable occupancy. The City has also imposed compliance with City local business and employment programs and requires that ODI make good faith efforts to enter into a Project Labor Agreement with the Building Trades. The time and resources invested by the City in finding possible partners for this project, and the ensuing negotiations under the ENA reflect several of the investigations and analyses undertaken in an appraisal analysis to arrive at conclusions regarding highest and best use.

The proposed project is close to approval of its EIR and overall design, and will likely be presented to the City Council within the 2nd quarter of 2019.

This report will summarize the existing conditions of the OCA, followed by similar treatment of the proposed project. The LDDA sets out very different capital contributions and timing of revenue streams for each party, which

also vary considerably over time. Also included is an analysis of their present value, and their implied level rental income streams over the term of the lease.

7. DESCRIPTIVE DATA

A. Oakland Development Trends

The sustained and positive economic growth over the six to seven years in US generally, and the Bay Area in particular, has fueled unprecedented job creation and the lowest unemployment conditions seen in decades. This has led to new office development and continuous rent growth. In San Francisco average asking rates for Class offices in the CBD are above \$75/sf per month FS, and are continuing to trend upward as vacancy remains stable. These strong market conditions have resulted in overflow demand from San Francisco to Oakland, first signaled by Uber's acquisition of a large commercial block in the Oakland CBD in 2015 (which was subsequently sold off). Two previously entitled new Class A buildings are now under construction totaling ±1,000,000 sf, and others are contemplated (including the subject property) which could add an additional ±1,570,000 sf to the combined CBD and Lake Merritt markets. Vacancy conditions for large floor plates of office space in the Oakland CBD are tight (below 8%), while asking rents are 30% below San Francisco levels. Overall vacancy in the City is even lower, and combined with the relative ease of access by (bridge and BART) between San Francisco and Oakland, these conditions have supported additional office rent growth in the East Bay.

The proximity and transportation linkages between San Francisco and the East Bay have also affected housing market conditions. This historically under supplied regional housing market has responded to job growth and intense tenant demand by generating new supply which thus far has not resulted in a softening of rental rate growth. Oakland has added ±3,000 units over the last two years, and currently, there are 4,000 to 5,000 additional units under construction, with as many as 5,000 more in the pipeline. Residential rent growth in Oakland has averaged ±6% per year over the last 48 months. Central Oakland shows the highest asking rents with rates over \$4.00/sf per month. The strength of this market has pushed rents past the threshold to where high rise apartment and condominium development is deemed feasible. Currently, there are at least five high-rise projects under construction for a total of ±1,500 units.

The longstanding housing shortage and increasing rents in the region have prompted developers to seek opportunities to invest in new apartment supply, and the current feasibility of high-rise development has made a wider selection of sites in Oakland attractive to investors. This increased demand has resulted in higher asking prices for potential development sites, which anecdotally, have trended upward sharply over the last three years. A counter trend, resulting from drastically increased demand for construction materials and services, has been steadily rising construction costs which constantly threaten the financial feasibility of development projects in the pipeline. Depending on location, timing of construction, and market supply & demand conditions as of completion, a particular project may ultimately perform as anticipated, or not. Thus far, the rough consensus appears to be that the market can absorb those units now under construction, though some softening may occur if additions to supply continue at the current pace.

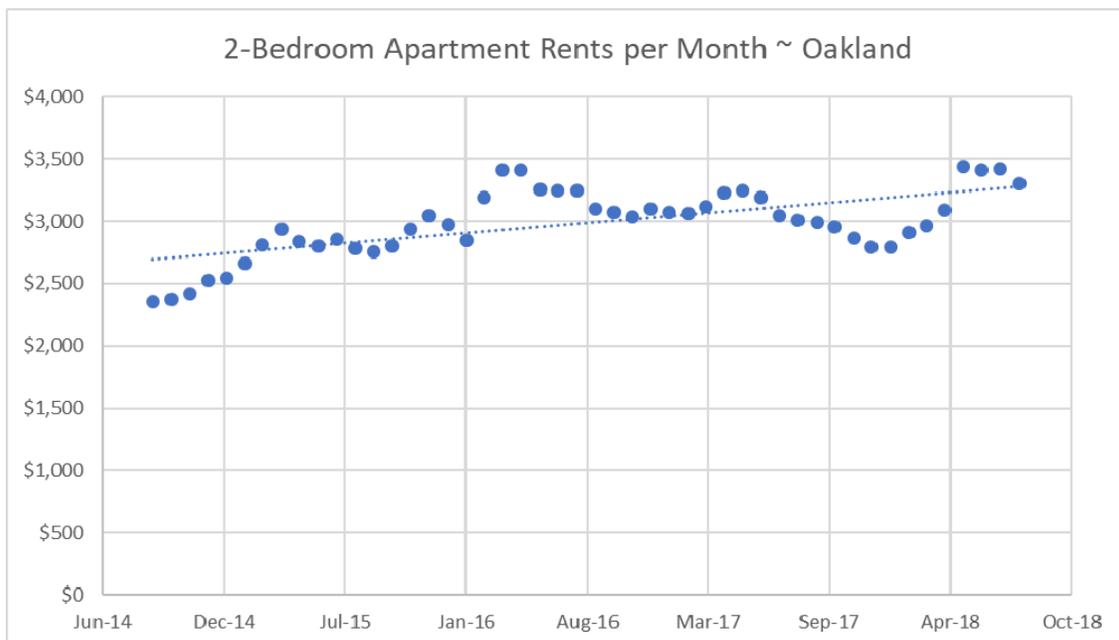
Finally, while much can be made of the proximity of Oakland to San Francisco, the pace and volume of development in the central Oakland will also create a self-sustaining pattern of growth, as increased numbers of residents will increase the attractiveness of local office development, and vice versa.

All of the above described market forces also have an influence on the value of public and institutional real estate. During the recent recession, public funding sources (tax revenues) had been curtailed dramatically resulting in significant budget cuts for services and maintenance of public facilities. The ongoing closure of the Kaiser Convention Center 12 years ago is an example of the management challenges faced by the City of Oakland. Currently, market forces have created an opportunity to meet this challenge through a kind of public/partnership in the form of a long-term lease of this asset.

Office and residential rental market statistics are presented on the following page.

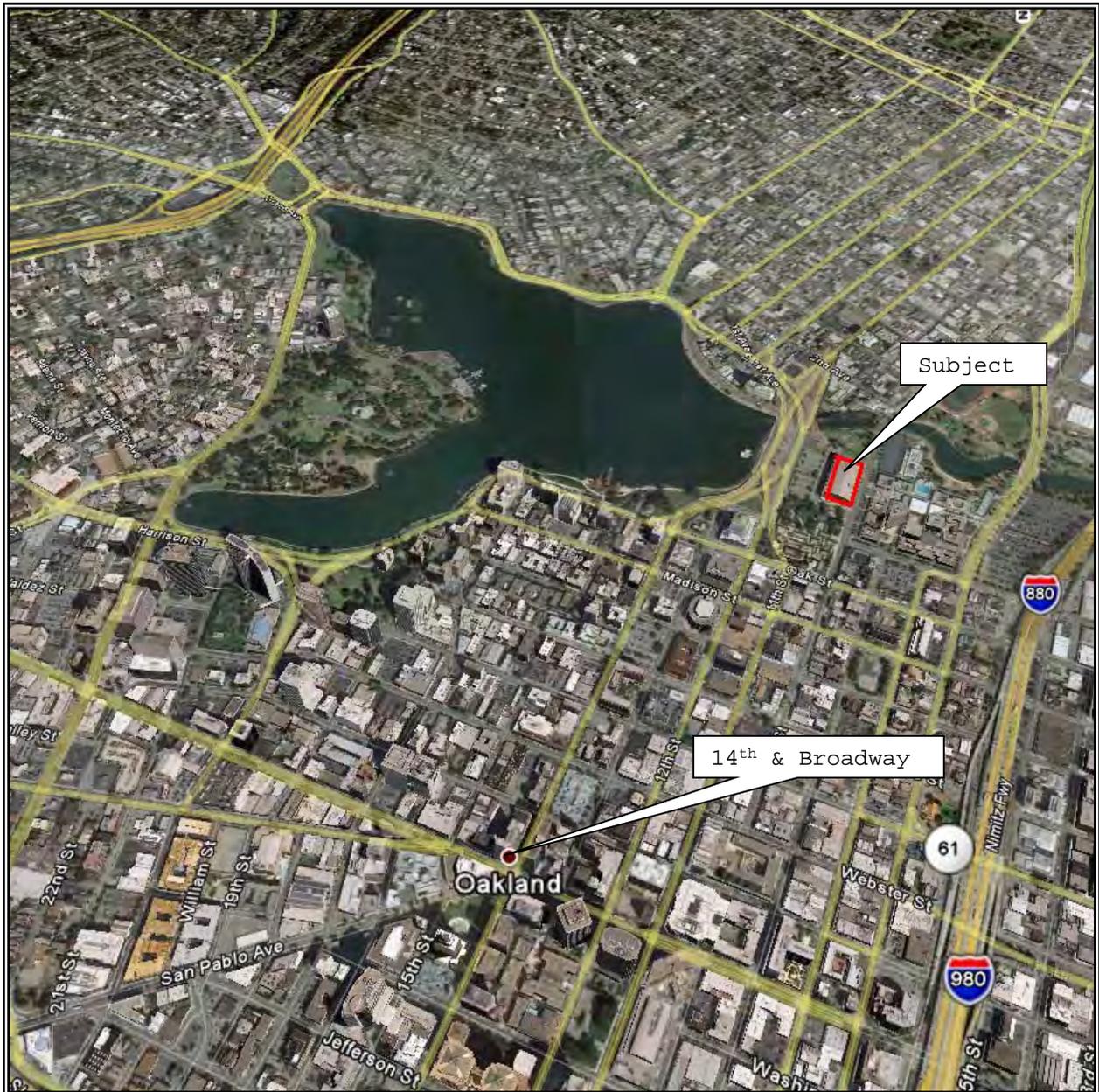
MARKETBEAT		East Bay Oakland		Office Q4 2018		CUSHMAN & WAKEFIELD			
SUBMARKET	INVENTORY (SF)	SUBLET VACANT (SF)	DIRECT VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	UNDER CNSTR (SF)	OVERALL AVERAGE ASKING RENT* (ALL CLASSES)	OVERALL AVERAGE ASKING RENT* (CLASS A)
Richmond	2,664,637	21,339	337,268	13.4%	-11,514	92,062	0	\$2.19	\$1.90
West Berkeley	1,283,295	36,227	15,561	4.0%	37,744	31,852	0	\$3.07	N/A
Berkeley CBD	2,517,148	16,552	148,279	6.5%	-80,766	262,360	0	\$3.97	\$4.50
Emeryville	4,372,259	195,793	418,494	14.0%	168,053	-30,725	25,000	\$4.59	\$5.75
City Center Oakland CBD	5,225,224	89,553	341,247	8.2%	-24,954	-126,760	934,500	\$4.65	\$4.96
Lake Merritt Oakland CBD	6,868,781	80,566	465,571	6.0%	23,749	-22,526	625,622	\$4.51	\$4.89
Jack London Square	1,736,426	23,936	107,054	7.5%	26,192	-16,150	0	\$3.80	\$3.75
Oakland Coliseum	2,055,859	1,980	162,363	6.0%	-16,768	-28,958	0	\$1.84	\$2.60
Northern Alameda	1,737,478	50,551	288,615	19.5%	0	-137,412	0	\$3.29	\$3.75
Southern Alameda	1,961,542	0	144,519	7.4%	-5,843	-47,020	0	\$2.38	\$2.47
CLASS BREAKDOWN									
Class A	14,470,147	377,005	1,024,633	9.7%	186,717	354,794	1,560,122	\$4.34	
Class B	12,755,620	97,852	963,939	8.3%	-53,467	-260,729	25,000	\$3.66	
Office/Flex	3,218,682	41,632	440,399	15.0%	88,243	36,168	0	\$2.37	
<b>TOTAL</b>	<b>30,444,649</b>	<b>516,489</b>	<b>2,428,971</b>	<b>9.7%</b>	<b>115,893</b>	<b>130,233</b>	<b>1,585,122</b>	<b>\$3.74</b>	<b>\$4.34</b>

\*Rental rates reflect full service asking \$PSF/month



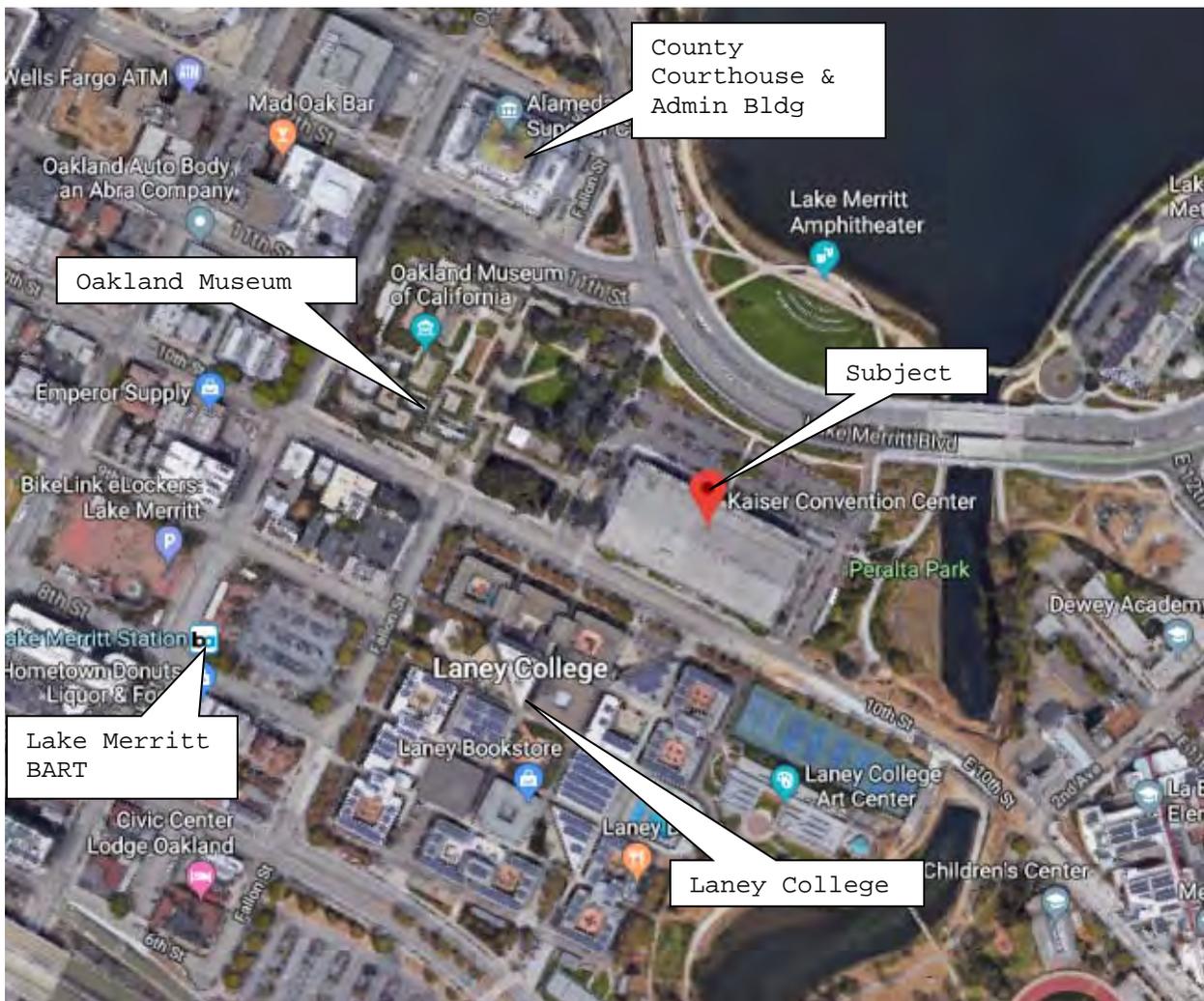
Source: Rent Jungle

*Looking Easterly over the Oakland CBD and Lake Merritt*



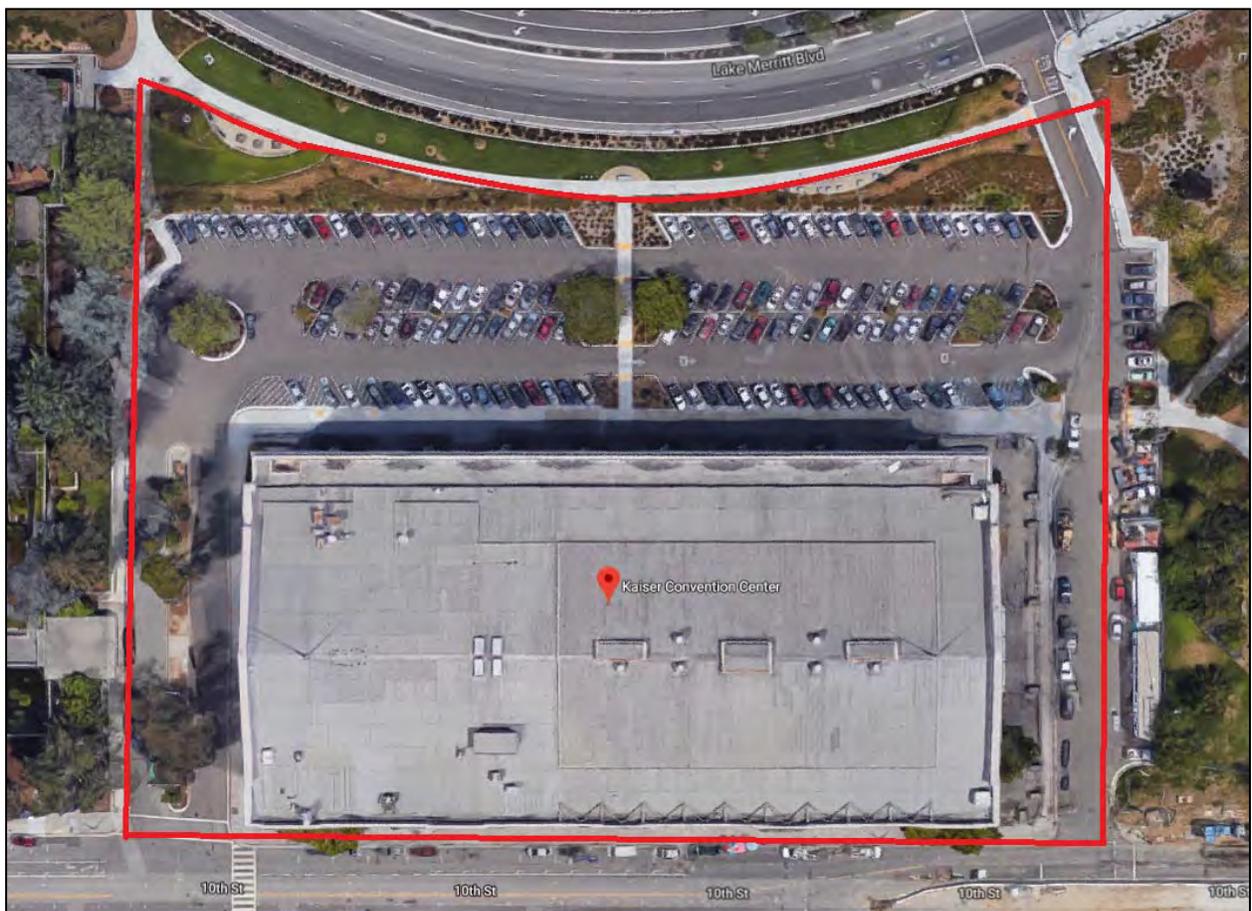
**B. Subject Property Location**

The property is located at the southerly end of Lake Merritt in an area dominated by civic institutions. Adjacent the east of the subject is the Oakland Museum and directly across Tenth Street to the south is the Laney College Campus of PCCD. The subject is within 2/3 mile of the intersection of 14<sup>th</sup> Street and Broadway.



The subject site is presently served by more than nine AC Transit bus lines, and is only four blocks from Lake Merritt BART station. From Highway 80 or 24, the Center is accessible via Highway 980 and the Jackson Street exit. Access is also convenient from Interstate 580 via the Grand Avenue and Lakeshore exits and via Lakeside Drive. Along the north boundary of site there is recently completed infrastructure project known as the 12<sup>th</sup> Street Realignment, part of which included creation of an open space area and amphitheater at the lake front. This connects with the subject via two signalized crossings, and through subway bike/walking paths on either side of the bridge spanning the Lake Merritt Channel.

One of the most significant features of this location is its prominence in the local landscape surrounding Lake Merritt. The Center is clearly visible from various distant vantage points due to its lakeside site. An example of the desirability of this location is demonstrated by the attempts by the Oakland Archdiocese to acquire the existing parking lot as a site for the Catholic Cathedral. The visibility that this site would have afforded to a large new structure was seen as a highly important consideration.





The property is zoned *D-LM-4 Lake Merritt Station Area District Mixed-4 Commercial Zone*. The intent of the D-LM-4 Zone is to designate areas of the Lake Merritt Station Area Plan District appropriate for a wide range of Residential, Commercial, and compatible Light Industrial Activities. Following are the objectives of the D-LM Lake Merritt Station Area District Zones.

- Create a more active and vibrant Lake Merritt Station Area District to serve and attract residents, businesses, students, and visitors;
- Increase activity and vibrancy in the area by encouraging vital retail nodes that provide services, restaurants, and shopping opportunities;
- Improve safety and pedestrian-orientation;
- Increase the number of jobs and improve the local economy;
- Encourage and enhance a pedestrian-oriented streetscape.

Zoning Development Standards

<b>Development Regulations</b>	<b>Requirements</b>	<b>Existing</b>
Minimum Lot Area	7,500 sq. ft.	208,842 sf.
Minimum Lot Width / Frontage	50 ft.	560ft.
Minimum Front Setback	0 ft.	158ft.
Minimum Side Setbacks	0 ft.	90ft. / 34 ft.
Minimum Rear Setback	0 ft.	8ft.
Average minimum setback from Lake Merritt Estuary Channel	60ft.	200ft.
Maximum Nonresidential Floor Area Ratio (FAR)	5	1.20
Minimum Off-Street Parking (Civic & Commercial)	None Required	164 spaces
Maximum Off-Street Parking (Civic & Commercial)	83 spaces	164 spaces
Off-Street Loading-Commercial	None Required	1 berth
Maximum Building Height	85 feet	75 feet
Maximum Residential Density	194 DU/Acre	
Maximum Floor Area Ratio	5	1.35

D. Improvements

1) **Existing Conditions**

In addition to an on-site inspection of the HJKCC, various documents were consulted from which the following descriptive information is summarized. These documents include copies of original architectural drawings dated 1913, schematic drawings dated 6/1/1960 by A.R. Taylor, City of Oakland Superintendent of Buildings, and revised architectural drawings by Burns Cadwaleder of the Ratcliff Architects, dated 7/23/1982. We also reviewed information contained in a Planning Application Submittal prepared by ODI and dated 1/15/19.

The property is improved with a one (and partial three) story building originally constructed in 1914, and for seventy years it was known as the Oakland Civic Auditorium. In 1985, following a \$15 million refurbishment the facility was renamed as the Henry J. Kaiser Convention Center. It was designed in the Beaux Arts style by John J. Donovan, architect, and Henry F. Hornbostel, consulting architect.

The building (above grade) measures approximately 398 feet long by 196 feet across, and contains a basement level foot print of approximately 77,975 square feet (sf). The total gross floor on four levels (inclusive of the basement and all balconies) was estimated for a prior appraisal at ±241,272 sf. The basis for this floor area estimate was the original schematic floor plans of the building

The building has a steel frame and reinforced concrete structure. The arena is covered by lightweight three-hinged-arch trusses. The exterior is clad with granite veneer on its principal northern façade, with terra cotta trim. This elevation features seven monumental niches or exedrae, each containing a sculptural relief designed by Alexander Stirling Calder. Collectively, the group is entitled "Riches of the Earth." The remaining elevations are cement-plaster clad concrete.

The building houses an approximately 1,899 seat formal theater at the western end and a ±4,500 seat arena (total seating capacity including floor is ±6,000) in the remaining two-thirds to the east. The rear of the theater stage abuts the west end of the arena. At the main (first) level, the Arena comprises ±64% of the floor area, and the stage encompasses ±36%.

Main entries are on both the east and west elevations - the east entries serve the arena, while the west serve the theater. These exterior elevations are nearly identical, with slight differences in the configuration of the large arch-topped windows above the door openings. Secondary doorways are found on the north elevation in the monumental niches, and on the Tenth Street elevation as well. The Kaiser Center is a Designated City of Oakland Historic Landmark.

#### **Basement Level**

The basement level on the west side of the building contains support spaces including mechanical and electrical rooms, which are located at the west end and serve the whole building. The gross floor area of this level is approximately 76,800 sf. All interior surfaces on this level unfinished concrete, and the average clear height under the concrete floor beams is ±11 feet. Four freight elevators service this level; a main freight elevator within the arena, an elevator connecting to the first level at the northwest corner of the building, an elevator at the south frontage connecting to the street, and an elevator connecting to the first and second levels at the eastern (arena) end of the building. In addition, there are two stairwells between the basement and first level at east end of the building, a stairway adjacent to the stage at the west end, and an inclined ramp off the delivery dock on the Tenth Street frontage.

#### **First Floor Level**

The first floor level is approximately six feet above street level, and is accessed via monumental stairs or ramp at each end. It contains approximately 76,900 sf. Large projected canopies shelter multiple doors into the theater and arena lobbies. The theater orchestra level has a raked floor with 866 seats. Behind a large ornate proscenium arch is the stage measuring 42' x 34'. There is a stage loading / delivery area with access off Tenth Street with a door large enough to accommodate a tractor trailer with the rig extending over the sidewalk and into the street. The first level also houses administrative offices along the south side. While the arena and theater sections of the Center are separate, there is in both areas a wide corridor along the periphery of the building with adjacent restrooms, stairwells, and utility rooms on both the north and south sides of the building.

The arena features a total of 764 folding box seats at the floor level, and 3,723 fixed seats above, extending upwards to the third level. An additional ±1,500 seats (folding chairs) can be accommodated on the arena floor.

### Second Level

At this level, containing approximately 17,000 sf, is the theater mezzanine lobby with windows overlooking the roof gardens of the Oakland Museum. This lobby serves the theater first balcony which has 489 seats. Also at this level is a projection booth and performer dressing rooms. There is one passenger elevator, two stairwells, and two incline ramps providing access to the first level.

The Olympic Room is located at the northwest corner of the second floor of the facility. It is approximately 2,000 square feet and was used for receptions and meetings. It features a large bar and is the only function room with exterior views through the top windows of the northwest niches. Views from these windows look out over Lake Merritt to the Oakland Hills.

In the arena, the second level features a wrap around corridor with access points to second level seating toward the interior and toilets, concession stands and other utility rooms along the east and north sides. There are four incline ramps (one at each corner of the arena for access between levels).

### Third Level

In the theater, this balcony is accessed directly from the second floor level mezzanine lobby by two stairs, and an incline ramp. There is one passenger elevator serving this level, but only from the first level. There is also a stage fly of a ½" hemp supporting 47 five line sets. The theater second balcony has 544 seats. In total this level contains approximately 29,900 sf.

Also on this level are the "Ballroom" and the Gold Room". The Ballroom is located at the northwest corner of the third floor of the facility and is accessed by elevator from the northwest lobby or by stair and ramp from the northwest niche. This room features a performance stage and a balcony bar area. It has a capacity of 150 in banquet seating to 350 for a reception. It is used for arts and lecture programs, receptions, recitals, banquets and dances. Its main floor is approximately 3,100 sq. ft. with a 800 foot side balcony. There is a raised platform "stage" of 320-sq. ft. without a fly.

The Gold Room is located at the southwest corner of the third floor of the facility and is accessed by elevator from the southwest lobby or by stair and ramp from the southwest Theatre lobby. The Gold Room was the first home of the Oakland Museum of Art, and features hardwood floors, overhead luminous

skylight and a balcony service area. With entry by private elevator or carpeted stairway dominated by crystal chandeliers. This room has been used for receptions, parties, banquets, lectures, fundraisers and exhibitions. It has a capacity of 120 as a classroom, 160 in banquet configuration or 350 for a reception. Its main floor is approximately 3,100 sq. ft. with a 800 sqft end balcony.

**2) Condition and Effective Age**

The Kaiser Convention Center was closed in 2005 due to a combination of factors including escalating deferred maintenance costs and upgrade requirements. We reviewed documentation on the costs of necessary upgrades to mechanical systems, and repairs & preservation of exterior architectural features. These totaled \$6,830,566 before any escalation to account for the dates of the estimates in 2006 and 2008, and additional necessary work as cited in a report by 1701 Associates completed in 2009 for the Peralta Community College District (PCCD) regarding the Calvin Simmons Theater. We conclude that the conditions identified in the engineering studies represent deferred maintenance, and that their total as of a current date would exceed \$10,000,000. This figure does not include subsequent deferred maintenance and vandalism (graffiti and theft of copper wiring), which have occurred since.

The building was constructed in 1914, and is now 105 years old. In 1985, a major renovation was completed to seismically strengthen the east (arena) side of the structure and upgrade cosmetic finishes. The total cost of the work was reported at ±\$15,000,000. In the opinion of the consulting engineers for this project, the seismic upgrades were intentionally limited to measures less than required by then current building codes in order to contain costs.

At present, the facility remains in overall average/fair cosmetic condition, The style of some finishes appears outdated and there is some damage to exterior surfaces resulting from vandalism. Functionally, the facility has some shortcomings such as limited nearby parking and small elevators, but generally remains a potentially viable public assembly venue.

From an economic standpoint, the Henry J. Kaiser Convention Center is now significantly less competitive than in the past due to the development in recent decades of several larger venues in Oakland and San Francisco (see following section on Occupancy and Use). This has resulted in a downward repositioning of the OCA to secondary status in the local market for assembly space. In 2006, a ballot initiative to fund remodeling the arena portion of

the Center into a new main branch of the Oakland Public Library failed at the polls. However, this plan recognized the greater value and utility of the theater space, and the likelihood that this part of the facility could be viably occupied in the future.

In sum, an estimate of "remaining economic life" of the Kaiser Convention Center assumes that all deferred maintenance, and any upgrades and repairs necessary to render the facility functional (i.e. heating, circulation etc), are completed. Additionally, the requirements regarding preservation of this historic resource must be accounted for in terms of the scope and costs of initial and on-going repair work. This assumption raises questions regarding the property's functionality in its current market context, such as:

1) What kinds of activities would create the "best fit" within the existing building (largely as defined by the preservation authorities), given market demand for space to accommodate these activities? Further, how do any envisioned activities impact the costs of preserving the OCA? For instance, ODI proposes that the arena be redeveloped as offices, which would dramatically lower the occupancy load of the building and, in turn, reduce the scope and costs of required seismic retrofitting.

2) The extent of the "economic life" of building improvements is normally determined by physical and functional factors as well as external market influences. However, in this case there is a civic commitment to preserving the building, which supersedes normal choices based on utility and economic viability. What does economic viability look like over the course of a 99 year lease? In any case, it would seem likely that some flexibility in terms of occupancy and programming would be required in order to successfully adapt to changing conditions. The current proposal may be just the step in that direction.

Normally, economic life will be estimated based on the current condition and functionality of a structure in its current market context. Typically, the estimate is framed as how long the improvements can function to meet demand for space without a major investment in upgrades or remodeling. As noted, replacing the subject improvements is not permissible.

Thus, within the current cycle of necessary building upgrades and repairs, we estimate the effective age of the existing building (assuming correction of deferred maintenance, and implementation of the proposed space remodeling), that the effective age of the building would be 20 years, and that it would have a remaining economic life of not less than 40 years.

## 2) Proposed Project

The following description is taken from the City of Oakland Landmarks Preservation Advisory Board Staff Report (Case File Number PLN17101), dated February 4, 2019. Some adjustments to floor area figures are made to reconcile with ODI's most recent proforma. The floor areas were estimated using a commonly used laser scanning technique which is deemed highly accurate. The total gross floor area ( $\pm 244,532$  sf) differs from the appraisers' prior estimate based on original floor plans by less than 1.5%. ODI's estimated project area of  $\pm 183,878$  sf does not include Arena seating and balcony areas, and any other areas which are not which may not be usable.

The applicant proposes to make alterations to the interior and exterior of the approximately 244,532 square foot building. The alterations would allow new commercial uses such as restaurant, retail and/or offices on the ground floor and basement. The proposal includes the rehabilitation of the existing Calvin E. Simmons Theater that holds approximately 1,500 seats; and limited improvements to the central Arena space. The project includes site modifications to the parking lot, driveways, walkways and landscaping. Other improvements to the OCA involve the installation of two new illuminated marquee signs on the building roof.

### Building Interior Alterations

#### Basement

The alterations of the basement would replace the access stairway, elevator, stage lift and include the installation of new sky wells to the first floor, construction of new storage utility rooms and disposable/recycle loading areas. Approximately  $\pm 69,190$  square foot of the improved basement would be used for related commercial tenant uses and would be internally connected to the upper-floor level. The alterations to the basement would not increase new building footprint or floor area or change the exterior of the building.

#### First Floor

The alterations of the 1st floor level would remove the restroom and partition walls to reopen/regain the signature niches and restore the windows. The building alteration includes the removal of partition walls to restore the historic arena foyer and concourse, development of a new restaurant with outdoor seating and new bar concessions. The alterations would include a new entry lobby on the south of the arena, the addition of

two new light-wells in the center of the arena floor to provide natural light to the basement, and replacement of the stage lift and alterations to the theater seating. The proposal also notes that all of the significant architectural elements such as columns, coffered ceiling, and floor details would remain, and if needed these would be repaired to match to the original design. The existing south freight/loading entry would be improved. The portion of the total project area on this level is ±72,179 sf.

### **Second Floor**

The alterations to the 2nd floor level would rehabilitate the stairways, remove partition walls from some of the niches, uncover the west side five windows along the theater corridor, and rearrange the theater seating for better circulation. The project would include the construction of three new separate loge box areas, and the addition of new dressing rooms. No changes would be made to the existing historic corridor/vaulted ceiling and arena bleachers. The project would also make improvements to the restrooms, and restoration to the theater seating if needed. The project floor area on this level would contain ±26,233 sf

### **Third Floor**

The proposal would not include any significant building alterations to the 3rd floor level. The 3rd floor contains theater seating, ballrooms and foyers, and encompasses ±16,276 sf.

### **Building Exterior Alterations**

#### **Building North Elevation**

The proposal does not involve any structural changes to the north facade of the building. All of the existing historic elements such as masonry wall, cornices, awnings, lighting and wall signage would remain and, if necessary be restored. The proposal includes the replacement and repairs, if needed, of the arched wood and glass windows located on the niches in order to support the historic character of the property. There are, however, two significant changes to the building facade. One is the replacement of all seven main double-door entries; and the other is the capping of the seven entry concrete stairs with a new raised terrace.

The approximately seven-foot tall and 9,500 square foot Lake View terrace would be located in front of the building and would be used as an outdoor public seating area. The concrete terrace would include a 3.5 foot tall glass with a steel frame guardrail. The new 65-foot wide concrete grand stairway with steel hand railings would be located in the center of the terrace. The proposal also includes two new concrete access ramps, each located at the corners of the terrace. The face of the raised terrace would be made of a sandblasted concrete wall and would include low recessed light fixtures, landscaping and a row of bollards located in between the improved front pedestrian pathway and parking lot.

A new illuminated marquee sign is proposed on the rooftop of the building. The individual channel letter and board signs would be mounted on a 63 feet wide by 12 feet high steel support truss frame. The signs would be set back at least two feet from the building parapet. The channel letter sign would be placed in the center, and the board signs would be located on the sides. The channel letter sign and arrow signs would be white acrylic and backlit. The two slim board signs would contain a programmable LED marquee sign with lights around the border of the boards. The applicant notes that the sign proposal is based on a 1949 marquee sign that once existed on the building will remain

#### **Building South Elevation**

There are no significant alterations to the south building facade other than repairing, if needed, the existing windows, entry doors, wall light fixtures and wall sign (Henry J. Kaiser Convention Center). The proposal, however, includes the new construction of an entry lobby with an ADA access ramp, lamp poles and a new awning. The new access ramp would be concrete with glass and steel frame guardrails. The two new round-glass light and steel pole fixtures would match the original ones. The project also includes a new illuminated marquee sign similar to the one proposed on the north side, and new landscaping along the building and within the new sidewalk.

#### **Building East Elevation**

Similar to the south building facade, the proposal does not include significant alterations to the east building facade. The applicant proposes to maintain and repair all of the historic design features such as the cornices, mullions, light fixtures, steel entry awning and doors. However, the most significant change is the removal of the cement wall to uncover and restore the five historic square-shape windows, located on the second floor.

#### Building West Elevation

The proposal does not include any significant alterations on the west side of the building facade. The project notes that all of the historic design features are to remain such as entry awnings, doors, wall lanterns and lantern poles. The project also notes that all of these design elements would be repaired, if necessary. The one building alteration proposed is the removal and replacement of the concrete ramp with a new concrete ramp that would contain a glass and steel frame guardrail. Other improvements include new landscaping along the building facade.

#### Rooftop

The project would make alterations to restore the skylights to their original form. The skylights are located on the north and south bays of the rooftop and extends to the east and west. The existing two flagpoles located near the east and west building parapet would remain including the maintenance access stairways. The project would include the new installation of solar panels along the south bay of the building rooftop. The approximately 58,000 square foot solar panel area would be placed on the downslope rooftop. The rooftop would also include the new installation of two illuminated marquee signs that are discussed in this report.

#### Site Alterations - Hardscape & Landscaping

##### Sidewalk & Pathway

The pedestrian sidewalk around the OCA would be replaced with new porous cast-in-place concrete sidewalk. The sidewalk contains a diamond-shape pattern to create contrast with the east driveway and north parking lot. The north sidewalk includes two new bulb-outs, and two pull-in loading and drop-off zone areas along 10<sup>th</sup> Street. A total of 15 Green-Ash and Honey Locust trees would be planted in the front side of the sidewalk along the south and west sides of the building. A mix of 26 creeping Jasmine and Fig vines would also be planted in the back side of the sidewalk along the south building facade, and the north face of the raised Lake View terrace. The proposal includes new bio-treatment planters and hydro-zone landscape areas within sections of the sidewalk to manage stormwater runoff within the property. Other improvements within the sidewalk include the installation of concrete benches, light poles and bollard lights.

**Lake Merritt Way Promenade**

The proposal includes the removal of the two-way driveway and landscape median located on the west side of the building. A new, raised concrete promenade would be constructed on this pedestrian, vehicular and utility easement. The 60 foot wide and 270 foot long Lake Merritt promenade will be raised to level with the new sidewalk, and would serve as a public access pathway from 10th Street to Lake Merritt Boulevard, as well as a gathering area for the Calvin Simmons Theater. The surface of the promenade would contain hexagonal concrete pavers, colored concrete diamond-shape pattern, triangle-shape raised planters, trees, concrete benches, aluminum light poles and bollards along 10th Street and the main parking lot.

**Parking Lot and Driveway**

The property contains a parking lot with approximately 164 parking stalls, located to the north and east of the building. The proposal would remove trees, planting areas and replace the parking paving area. The larger parking lot to the north would maintain the six double-head light poles, located in the center of the parking lot. The parking lot area would be resurfaced with new asphalt concrete, provide six new ADA parking spaces, and contain decorative diamond-shape patterns. The surface of the smaller parking lot to the east of the building would have a new pervious concrete area, and the driveway would be asphalt concrete with decorative diamond-shape patterns. The parking lots would include two new ingress and egress parking barriers at the Lake Merritt and 10<sup>th</sup> Street driveways. The plan would include a cluster of six new Evergreen trees at the northwest and northeast corner of the parking lot. A row of eight Green Ash trees would be planted along the eastside of the parking lot/driveway.

**E. Occupancy and Use**

**1) Current Conditions**

From the date of the original opening until the 1960's, the Henry J. Kaiser Convention Center (so named in 1984) was one of the principal convention, sports, and entertainment venues in the Bay Area. Since that time, other larger and more modern facilities, with better access and parking, began to compete with the Center. These include the George Scotlan (Oakland) Convention Center, the Oakland Coliseum and Arena, the Bill Graham Center and Moscone Center in San Francisco, and the Lescher Center in Walnut Creek. In suburban areas, other entertainment venues were built such as the Shoreline Amphitheater and the Concord Pavilion, all of which contributed to a decline in the Kaiser Center's competitiveness and appeal.

More recently, the restorations of the Fox Theater in downtown Oakland has also added to the competing entertainment venues in the immediate market area. However, in our opinion, there remains substantial potential for ongoing use of the Center assuming active management of this facility, which could include ongoing and occasional use by non-profit performing arts organizations, civic groups, and others.

**2) Proposed Project**

What is proposed by ODI is a refurbishment and reduction in seating capacity of the Calvin Simmons Theater, and creation of a non-profit management entity which would provide regular venue dates for the Oakland Symphony, the Oakland Ballet, and market the Theater and assembly halls as an entertainment and meeting venue to a variety of potential users. This concept is an extension of what has been the pattern of occupancy in the past for this part of the OCA.

This would, in effect, be a repositioning of the Calvin Simmons Theater into a premier entertainment and presentation venue, while preserving its historical details and character. Theater and Meeting Room revenue streams are projected separately, though in some cases the entire capacity of this section of the OCA could be utilized for a single event.

The Arena is proposed for office occupancy on the main floor and basement. The original proposal from ODI was to build a glass walled, two-story office

structure inside the arena space, but the State Historic Preservation Office (SHPO) did not approve addition of a second level above the main floor. There is also a restaurant planned for the level of the arena

The proposed occupancy was originally conceived as at least 50% private office users and some substantial percentage targeted to non-profit and arts groups. This allocation has since been modified to target all the office space to non-profit occupancy. The dynamics of the downtown Oakland office market have created substantial pressure on non-profits, artists, and local makers who cannot afford the escalating rents on centrally located space. This in turn, both benefits the OCA project, and provides an alternative for these tenants to relocating to more distant locations in Oakland and the Bay Area. The projected rental rates for the OCA office space are substantially below asking rents in the Oakland CBD.

As noted previously, mean asking rental rates for all classes of office space in the Oakland CBD market is \$4.50/sf/month on a Full Service basis. ODI projects rental rates for Arena ground floor and basement space at \$2.50/sf/mo and \$1.50/sf/mo (NNN) respectively. The corresponding rental rates under Full Service terms would be \$3.40/sf/month for the main floor and \$2.40/sf/month for the basement.

These rates appear competitive with office locations peripheral to the CBD which is several blocks west of the subject. The character of the space differs from most conventional offices, but it features a large open setting with abundant natural light (on the main level) and a high-ceilinged basement level. Further, the unique and distinctive architectural features of this space, along with its setting adjacent to Lake Merritt make this an attractive option of office users. A survey of competitive rent offerings on LoopNet, 42Floors, and CityFeet confirms the overall pattern as shown in the market summary on Page 16. We also consulted with ODI's listing broker (Aileen Dolby) who has already begun to network with non-profit groups who might potentially lease space in HJKCC. She reported strong interest from this class of probable tenants, though several challenges related to the configuration of the space, and timing of occupancy, remain

A forecast of net operating revenues for the Calvin Simmons Theater was also developed by ODI. This is modeled initially assuming use by the Oakland Symphony, and the Oakland Ballet. In addition, the modeling projects further occupancy by various performing arts, civic and business groups over the course of the lease. ODI has experience with developing operationally sustainable theater venues in other projects, and the forecasts for the

Calvin Simmons Theater include not only a 3-year repair and construction period, but also a ramping up to stabilized occupancy over another three years.

ODI's operating proforma and draft LDDAA lays out a projected scenario of capital investment and rental income (from subtenants) which provides for repayment of the construction costs, interest, developer fees and remuneration to the City. Net revenues (termed participation rent) are to be distributed as follows, in order of priority:

1. \$75,000 to Theatre Foundation supporting target users, paid from date of completion of Theater construction using Developer Equity as needed. In proforma this begins in Year 4.
2. Developer Fee. \$726,662 for four years, beginning in Year 1. Paid to developer as increase in Developer Equity, but without accruing a preferred return.
3. Developer Equity Preferred Return. This is 15% interest on the first tier (maximum \$10,000,000), aka return on Base Equity.
4. Return to Developer of all classes of Equity (Additional Equity, Base Equity, and other Equity not entitled to preferred return)
5. Thereafter, all net proceeds divided 50/50 between City and Developer subject to completion of return of all Developer Equity and interest thereon.

The operating proforma from ODI projects repayment of all equity by Year 20 of the lease. Thereafter net proceeds to the City are expected to increase dramatically. The average proceeds to the City for years 1-20 is \$91,966; for years 20-40, the annual average net proceeds increases 18-fold to \$1,657,284.

Given these conclusions, we believe that competent and innovative management of the facility would result in ongoing occupancy of the proposed offices, and use by a variety of arts, entertainment organizations, as well as sponsored events by civic, religious, and political groups.

8. HIGHEST AND BEST USE

In standard appraisal methodology, highest and best use is usually defined as:

"The use, from among the reasonably probable and legal alternative uses, found to be physically possible, appropriately supported, financially feasible and that results in the highest present land value."2 The highest and best use of the property is analyzed from two perspectives: A) as vacant; and, B) as improved. Further, four criteria are applied in the analysis: 1) Physically Possible; 2) Legally Permissible; 3) Financially Feasible; 4) Maximally Productive.

The highest and best use of the property is largely defined by the premise and special conditions of the appraisal, reiterated below:

*1) The existing property improvements will be preserved and maintained, and not demolished, as mandated by their designation as Historic Resources.*

This limits the utility of the property to those purposes which can be accommodated while rehabilitating and maintaining the historic elements of the structure, and which can generate revenue to support the feasibility of the proposed use.

*2) The appraisal will consider the property in its "As Is" condition inclusive of all forms of obsolescence (physical, functional, economic).*

Since the appraisal presumes a long-term lease of the property, the above stipulation is applicable to the structure of the proposed agreement in terms of which rights and obligations are assumed by each party, and the nature of the contributory value provided by each party. This kind of consideration is commonplace in private markets where historic designations on properties, or districts, place limits the use and occupancy of real estate.

*3) The appraisal is subject to the terms (and assumes the execution of) the proposed LDDA between the City of Oakland, and Orton Development Inc (ODI). In this context, the City has also imposed compliance with City local business and employment programs and requires that ODI make good faith efforts to enter into a Project Labor Agreement with the Building Trades.*

The above requirement defines, in detail, the "public/private" partnership represented by the proposed long-term lease to ODI under the LDDA in terms of cost and revenue sharing.

These limitations impact the potential market rental value of the property by removing from consideration a range of occupancies under lease arrangements which could maximize the return on investment. The aim here is clearly to preserve (as much as possible) the property for its "value in use" as a functional public assembly facility with significant meaning and symbolism in the local community.

In addition to impacting market value due to limiting availability of the property for public (or private non-profit) use and occupancy, the marketability of the subject is impacted by limiting the pool of potential tenants to these types of users. However, it is likely that the anticipated development and construction period of ±2 years will constitute a sufficient marketing period to generate interest and develop/refine the appropriate business model for operating the OCA.

Apart from the previously described necessary repairs and upgrades, the property is adequately maintained and sufficiently functional for conversion to its proposed use.

We have concluded that the proposed project meets the tests of Highest and Best use:

- 1) The project is **physically possible** insofar as there are no practical barriers to its completion
- 2) It is **legally permissible** as evidenced by the history of negotiations (including the ENA), and while it requires final City approval, there are no legal barriers to the concept as presented.
- 3) **Financial feasibility** is demonstrated by the presentation of the rental income stream in the proforma for all projected use categories. The forecast net income to both the City and ODI result in a reasonable return on capital invested, and a substantial and positive present value indication. Analysis of each use component in terms of Return on Cost (ROC) and Internal Rate of

Return (IRR)<sup>1</sup> indicates positive rates of return of each component, including the parking area.

4) As noted previously, the lengthy and thorough process of considering what reuse options for the HJKCC were really viable has raised all of the pertinent questions regarding public policy regarding historic resources, sources of support for their preservation, and what creative architectural and programmatic options there are for meeting the needs of potential users. The ODI proposal has demonstrated its credibility as a useful approach to all these problems, and arguably results in the highest return on the City's contribution of this property to the project.

We conclude that the highest and best use of the property, as defined by the conditions of the appraisal is to cure all deferred maintenance, implement the ODI proposal to develop the premises as a theater venue and office rental facility for non-profit organizations and civic groups, as well as enhance the public access features of the site.

We further note that ODI's motivation to pursue this project includes a significant factor of self interest insofar as their business model depends on executing each project successfully in order to enhance their credibility and future opportunities.

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<sup>1</sup> ROC is rate of return as measured by 1<sup>st</sup> 12 months stabilized Net Income divided by total development cost.

IRR is the rate of return over the entire investment period including both capital investment and all positive cash flows.

9. RENTAL VALUATION

A. Methodology

The component value of the subject site (as currently improved) represents the principal contribution to the Proposed Project by the City of Oakland. The basis for an estimate of market rent (for the subject in "as is" condition) can be either direct market comparison with competitive leased properties, or by determining an appropriate rate of return on the overall value of real estate.

Direct comparison with similar properties requires appropriate examples of recently leased premises in the subject's market area. Our research did not reveal any useful data, which is unsurprising given the unique scale and configuration of the subject.

Determination of a market-based rate of return on overall value requires an estimate of market value of the subject in "as is" condition (and subject to the special conditions of the appraisal). This market value can be ascertained either by direct comparison with sales of competitive properties, or by a replacement cost analysis including a detailed analysis of accrued depreciation of the improvements in combination with an estimate of the land value component of the property "as improved", ie, the contributory value of the site with the now existing building in place.

A sales comparison analysis is not feasible for the same reasons that make direct comparison with other rental premises untenable; lack of appropriate data. The credibility of a replacement cost analysis is hampered by:

1) Lack of data pertinent to the actual costs to restore the property to its original occupancy and functionality. These costs would include curing physical and functional deficiencies, but not changing the basic patterns of use. The problem here stems from the fact that the highest and best use of the property has changed. While a detailed and reliable cost estimate has been developed for implementation of the proposed project, the costs of curing deficiencies are commingled with those of the new project, while other costs (such as seismic retrofitting) and not relevant<sup>2</sup>. Thus, determination of

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<sup>2</sup> The proposed project proforma does not break out costs specific to deferred maintenance, which are folded into the program of upgrades and repairs required to address the proposed occupancy and use needs, which differ from

the "as is" value of the improvements has become a problem without sufficient information to solve it.

2) The value of the land component of the property "as improved" is impacted by the presence of a major improvement designated as a historic resource. While land values can be ascertained by direct sales comparison (especially in today's active market), meaningful results from such analyses require that the "comparable sales" involve properties with similar highest and best use. The subject's land use intensity (as measured by floor area ratio (FAR)) is 1.35. Alternative development scenarios under the D-LM-4 zoning could achieve FARs of 3 to 4 times this ratio.

The FAR is a direct measure of how intensively land can be developed, and is therefore highly influential in pricing<sup>3</sup>. Therefore, vacant sites, even in the same zone district, would have significantly greater utility compared to the subject. This requires determination of the impact on the site value as result of inferior utility, since the highest and best use of the property is primarily influenced by the requirement that the existing improvements remain, and be maintained, in place. Beyond the obvious impacts on site utility and value resulting from the presence of the improvements, there is the fact this condition is theoretically permanent.

However, since the rental valuation is in the context of the proposed long term lease, the net revenue stream from the various office and theater sub-leases can be analyzed to ascertain the equivalent level income stream to the Lessor and Lessee (City and ODI) under the LDDA. Following our conclusion that the proposed project represents the highest and best use of the property, we conclude that the equivalent level net revenue stream represents market rental value.

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what has historically been the case. The extreme ambiguity of the extent of accrued depreciation of the improvements, makes a realistic analysis of the contributory value of the existing improvements to the proposed project untenable.

<sup>3</sup> The subject's D-LM-4 zoning is complex, but it generally permits maximum building heights of 85 feet (with a limited number of higher structures) with a maximum residential density of ±190 units per acre). This larger than typical site could theoretically support up to 900 units. Were the site vacant and available for new development, this kind of zoning and location (next to Lake Merritt) would likely command offers at the upper end of the pricing spectrum.

**B. Analysis**

The development and operating proforma provided by ODI dated 2/15/19 lays out the revenue streams from the sub-leases over the 99 year term, along with various deductions for hard and soft development costs, financing, and developer fees. The projected net revenue to the City and ODI (termed participation are initially distributed as shown in the section on Occupancy and Use, are to be distributed as follows, in order of priority:

1. \$75,000 to Theatre Foundation supporting target users, paid from date of completion of Theater construction using Developer Equity as needed. In proforma this begins in Year 4.
2. Developer Fee. \$726,662 for four years, beginning in Year 1. Paid to developer as increase in Developer Equity.
3. Developer Equity Preferred Return. This is 15% interest on the first tier (maximum \$10,000,000), aka return on Base Equity.
4. Return to Developer of all classes of Equity (Additional Equity, Base Equity, and other Equity not entitled to preferred return)
5. Thereafter, all net proceeds divided 50/50 between City and Developer subject to completion of return of all Developer Equity and interest thereon.

The operating proforma from ODI projects repayment of all equity by Year 20 of the lease. Thereafter net proceeds to the City are expected to increase dramatically. The average proceeds to the City for years 1-20 is \$91,966; for years 20-40, the annual average net proceeds increases 18-fold to \$1,657,284.

On the following page, excerpted from the ODI proforma (19\_0225 HKJ), the net revenue figures per year to the City and ODI are presented to illustrate the pattern of the cash flows.

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Year	City	ODI
1	\$0	\$726,663
2	\$0	\$726,664
3	\$0	\$726,665
4	\$75,000	\$726,665
5	\$75,000	\$0
6	\$75,000	\$0
7	\$75,000	\$0
8	\$75,000	\$0
9	\$75,000	\$0
10	\$82,500	\$0
11	\$82,500	\$0
12	\$82,500	\$0
13	\$82,500	\$0
14	\$82,500	\$0
15	\$82,500	\$0
16	\$82,500	\$0
17	\$82,500	\$0
18	\$1,266,940	\$1,184,440
19	\$1,307,786	\$1,225,286
20	\$308,408	\$217,658
21	\$1,383,730	\$1,292,980
22	\$1,432,723	\$1,341,973
23	\$1,482,690	\$1,391,940
24	\$1,533,648	\$1,442,898
25	\$1,585,618	\$1,494,868
26	\$1,638,620	\$1,547,870
27	\$1,692,673	\$1,601,923
28	\$1,747,799	\$1,657,049
29	\$1,809,610	\$1,718,860
30	\$585,207	\$485,382
31	\$1,895,932	\$1,796,107
32	\$1,955,562	\$1,855,737
33	\$2,016,375	\$1,916,550
34	\$2,078,393	\$1,978,568
35	\$2,141,640	\$2,041,815
36	\$2,206,140	\$2,106,315
37	\$2,271,917	\$2,172,092
38	\$2,338,996	\$2,239,171
39	\$2,414,217	\$2,314,392

Year	City	ODI
40	\$1,043,986	\$934,178
41	\$3,536,225	\$3,426,418
42	\$3,609,434	\$3,499,626
43	\$3,684,107	\$3,574,299
44	\$3,760,273	\$3,650,466
45	\$3,837,963	\$3,728,155
46	\$3,917,206	\$3,807,399
47	\$3,998,035	\$3,888,227
48	\$4,080,480	\$3,970,672
49	\$4,172,287	\$4,062,479
50	\$2,488,922	\$2,368,134
51	\$4,304,105	\$4,183,317
52	\$4,393,346	\$4,272,558
53	\$4,484,372	\$4,363,584
54	\$4,577,219	\$4,456,431
55	\$4,671,922	\$4,551,134
56	\$4,768,520	\$4,647,731
57	\$4,867,049	\$4,746,261
58	\$4,967,549	\$4,846,761
59	\$5,079,461	\$4,958,673
60	\$3,026,796	\$2,893,929
61	\$5,239,494	\$5,106,627
62	\$5,348,278	\$5,215,411
63	\$5,459,238	\$5,326,371
64	\$5,572,418	\$5,439,551
65	\$5,687,860	\$5,554,993
66	\$5,805,612	\$5,672,745
67	\$5,925,719	\$5,792,852
68	\$6,048,228	\$5,915,361
69	\$6,184,648	\$6,051,781
70	\$3,681,742	\$3,535,588
71	\$6,379,008	\$6,232,855
72	\$6,511,616	\$6,365,462
73	\$6,646,876	\$6,500,722
74	\$6,784,841	\$6,638,687
75	\$6,925,565	\$6,779,411
76	\$7,069,104	\$6,922,950
77	\$7,215,513	\$7,069,359
78	\$7,364,851	\$7,218,697
79	\$7,531,147	\$7,384,993

Year	City	ODI
80	\$4,479,327	\$4,318,558
81	\$7,767,280	\$7,606,511
82	\$7,928,928	\$7,768,159
83	\$8,093,809	\$7,933,040
84	\$8,261,987	\$8,101,218
85	\$8,433,529	\$8,272,760
86	\$8,608,502	\$8,447,733
87	\$8,786,974	\$8,626,205
88	\$8,969,016	\$8,808,247
89	\$9,171,730	\$9,010,961
90	\$5,450,710	\$5,273,864
91	\$9,458,706	\$9,281,860
92	\$9,655,754	\$9,478,907
93	\$9,856,742	\$9,679,896
94	\$10,061,751	\$9,884,905
95	\$10,270,860	\$10,094,014
96	\$10,484,151	\$10,307,305
97	\$10,701,708	\$10,524,861
98	\$10,923,615	\$10,746,769
99	\$11,170,722	\$10,993,876

The net present value of the net revenue stream to the City over the course of the lease, and the equivalent level annual payment is as summarized below:

Discount Rate	7.0%
Net Present Value	\$10,276,767
Level Annual Payment <sup>4</sup>	(\$673,142)
Rate	7.0%
No Years	99
Level Payment per Month	(\$56,095)
Project Floor Area	183,,878
\$/SF per month	\$0.31

The level annual payment best reflects the overall pattern of the subject's rental value. The discount rate applied is higher than observed for typical for more straightforward commercial (or residential) rental properties due to additional risk factors inherent in nature and complexity of the proposed project. Nonetheless, the

It is our conclusion that the market rental value (expressed as annual level payments<sup>4</sup> of the subject property under its highest and best use, and subject to the terms of the LDDA between The City of Oakland and Orton Development Inc, is:

**SIX HUNDRED SEVEBTY-TREE THOUSAND DOLLARS PER YEAR (\$673,000)**

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<sup>4</sup> The Level Annual Payment is calculated assuming payments occurring at the beginning of each period as is typical for rental payments under a lease.

10. RECONCILIATION AND CONCLUSIONS

**Income Capitalization Approach:           \$673,000 per year  
(annual level payments)**

The income capitalization approach, using discounted cash techniques, is a recognized valuation tool for present value analysis of unequal cash flows over time. The last 50+ years of the analysis shows a relatively stable cash flow, projected to increase at modest fixed rate annually, However the initial 40 years varies considerably due to construction costs, preferred returns to the developer, lease-up periods, and throughout the entire lease, there are regularly forecast (every ten years) capital costs for new Tenant Improvements and Leasing Commissions. The structure of the proposed contractual arrangement between the City and ODI results in numerous variations in cash flow, as illustrated in the attached Discounted Cash Flow (DCF) print out.

Since the Net Present Value of all cash flows can be easily converted to series of level payments, this operation is done to provide a market rental value, assuming no change in rental payments over the course of the lease.

Thus, based on our investigation and analyses, it is our opinion that the market rental value (expressed as annual level payments) of the property, subject to the Assumptions and Limiting Conditions contained in Section 4 of this report, as of January 25, 2019 is:

**SIX HUNDRED SEVENTY-THREE THOUSAND DOLLARS PER YEAR (\$673,000)**

This final value estimate presupposes a specific exposure and marketing time during which the subject would rent at this price. We conclude that the marketing and exposure periods for the property are relatively equivalent. I estimate that the appropriate exposure and marketing periods relative to this Value estimate are from one to three years, due to the unusual size, utility, location, occupancy, and ownership limitations.

10. CERTIFICATION

This appraisal is conveyed in a Report format (USPAP 2-2). The signatories below certify that, to the best of their knowledge and belief:

- the statements of fact contained in this report are true and correct.
- the property was personally inspected unless otherwise indicated by designating a signatory to this report as a "Supervising Appraiser".
- the reported analyses, opinions, and conclusions are limited only by the stated assumptions and limiting conditions, and are the personal, impartial, and unbiased work product of the named appraisers.
- there are no past, present, or prospective interests, adverse interests, or bias with respect to the property that is the subject of this appraisal, nor any personal interest with respect to the parties involved.
- the acceptance of, engagement in, and compensation for this assignment are not contingent upon developing or reporting a predetermined or stipulated result, a predetermined value or direction of value that may favor the cause of the client, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- the analyses, opinions, and conclusions were developed, and this report prepared, in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP), and for members, the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute. The preparation and use of this report is subject to the requirements of the Appraisal Institute relating to review by duly authorized representatives.
- unless otherwise identified in this report, no one provided significant professional assistance to the persons signing this report.
- all appraisers licensed by the Office of Real Estate Appraisers (OREA) of the State of California are required to complete a minimum level of continuing education to be eligible for license renewal on specified dates. The signatories to this report are currently licensed and have met all current requirements of the Office of Real Estate Appraisers.

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Reference No. 190068

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- as of the date of this report, signatories who are members of the Appraisal Institute have completed the requirements of the continuing education program and are currently recertified.

- As of the date of acceptance of the assignment, the signatories below and provided no appraisal, nor any other services, with respect to the subject property for the previous three years.

- As of the date of this report, Peter D. Overton, MAI, has completed the requirements under the continuing education programs of the Appraisal Institute.

- As of the date of this report, G. Michael Yovino-Young, MAI, has completed the requirements under the continuing education programs of the Appraisal Institute.

Attached as Exhibit B are statements of the professional qualifications of the appraisers.

Thank you for providing us this opportunity to be of service. This report has been prepared in accordance with the Uniform Standards of Professional Appraisal Practice (USPAP) and with our agreement and understanding of the nature and requirements of the appraisal assignment.

We will retain all relevant data and research material in file should you require further appraisal services concerning this property.

Very truly yours,  
YOVINO-YOUNG, INCORPORATED



Peter D. Overton, MAI  
Appraiser  
Certified General R.E. Appraiser,  
California State License No. AG002631



G. Michael Yovino-Young, MAI, ASA  
Supervisory Appraiser  
Certified General R.E. Appraiser,  
California State License No. AG002841



**OLD REPUBLIC**  
TITLE COMPANY

555 12th Street, Suite 2000  
Oakland, CA 94607  
(510) 272-1121 Fax: (510) 208-5045

**EXHIBIT A**

**PRELIMINARY REPORT**

CITY OF OAKLAND - CEDA REAL ESTATE  
250 FRANK OGAWA PLAZA  
OAKLAND, CA 94612

Attention: JAMES GOLDE

UPDATED

Our Order Number 1117011634-JM

Customer Reference CITY OF OAKLAND, SUCCESSOR  
AGENCY TO THE REDEVELOP

When Replying Please Contact:

Julie Massey  
JMassey@ortc.com  
(510) 272-1121

Property Address:

Kaiser Convention Center, Parcel 2 Parcel Map 9956, Oakland, CA 94601

In response to the above referenced application for a policy of title insurance, OLD REPUBLIC TITLE COMPANY, as issuing Agent of Old Republic National Title Insurance Company, hereby reports that it is prepared to issue, or cause to be issued, as of the date hereof, a Policy or Policies of Title Insurance describing the land and the estate or interest therein hereinafter set forth, insuring against loss which may be sustained by reason of any defect, lien or encumbrance not shown or referred to as an Exception below or not excluded from coverage pursuant to the printed Schedules, Conditions and Stipulations of said policy forms.

The printed Exceptions and Exclusions from the coverage and Limitations on Covered Risks of said Policy or Policies are set forth in Exhibit I attached. The policy to be issued may contain an arbitration clause. When the Amount of Insurance is less than that set forth in the arbitration clause, all arbitrable matters shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties. Limitations on Covered Risks applicable to the Homeowner's Policy of Title Insurance which establish a Deductible Amount and a Maximum Dollar Limit of Liability for certain coverages are also set forth in Exhibit I. Copies of the Policy forms should be read. They are available from the office which issued this report.

**Please read the exceptions shown or referred to below and the exceptions and exclusions set forth in Exhibit I of this report carefully. The exceptions and exclusions are meant to provide you with notice of matters which are not covered under the terms of the title insurance policy and should be carefully considered.**

**It is important to note that this preliminary report is not a written representation as to the condition of title and may not list all liens, defects, and encumbrances affecting title to the land.**

This report (and any supplements or amendments hereto) is issued solely for the purpose of facilitating the issuance of a policy of title insurance and no liability is assumed hereby. If it is desired that liability be assumed prior to the issuance of a policy of title insurance, a Binder or Commitment should be requested.

Dated as of October 9, 2014, at 7:30 AM

**OLD REPUBLIC TITLE COMPANY**  
For Exceptions Shown or Referred to, See Attached

**OLD REPUBLIC TITLE COMPANY**  
**ORDER NO. 1117011634-JM**  
**UPDATED**

The form of policy of title insurance contemplated by this report is:

CLTA Standard Coverage Policy -1990; AND ALTA Loan Policy - 2006. A specific request should be made if another form or additional coverage is desired.

The estate or interest in the land hereinafter described or referred or covered by this Report is:

Fee as to Parcel(s) 1 and an Easement as to Parcel(s) 2

Title to said estate or interest at the date hereof is vested in:

The City of Oakland, a municipal corporation

The land referred to in this Report is situated in the County of Alameda, City of Oakland, State of California, and is described as follows:

Parcel One:

Parcel 2, as shown on Parcel Map 9956, filed January 24, 2012, in [Book 318 of Parcel Maps, Pages 91 through 93, inclusive](#), Alameda County Records.

Parcel Two:

An Easement for ingress egress and parking

Beginning at the Southeast corner of Parcel 2 as said parcel is shown on the above referenced Parcel Map 9956, said point also being the common intersection with the Northerly limit of 10th street and the common line between Parcel 2 and the "Designated Remainder", said line having a bearing of South 25° 35' 52" West;

Thence North 25° 35' 52" East, along said common line, 410.05 feet;

Thence, North 85° 10' 54" West, 28.74 feet;

Thence, South 04° 49' 06" West, 30.71 feet to a point of tangency;

Thence, along a tangent curve to the right, said curve having a radius of 175.00 feet, and through a central angle of 22° 01' 26", a distance of 67.27 feet;

Thence South 26° 50' 32" West, 327.05 feet, to the intersection with the Northerly limits of 10th street as shown on the above referenced Parcel Map 9956;

Thence North 62° 35' 18" West, along said Northerly limits of 10th street, 42.02 feet, returning to the point of beginning.

Said area being shown and referenced on said Parcel Map 9956

Note: Parcel 2 described herein appears to have merged with the ownership of the fee title to the land which it burdens and may no longer exist or be desired. If this is supposed to be the case, Parcel 2 should be deleted from the description herein and an instrument by the vestees named herein should be recorded declaring any such easement to be extinguished.

**OLD REPUBLIC TITLE COMPANY**  
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**UPDATED**

If Parcel 2 should not be merged and/or extinguished, however, a recital should be made following it to the effect that "it is not the intent or desire that it be extinguished by merger or otherwise".

In either case, the written approval from the seller(s), the purchaser(s) and lender(s) must be furnished to the Company.

APN: 018-0450-005

At the date hereof exceptions to coverage in addition to the Exceptions and Exclusions in said policy form would be as follows:

1. Taxes and assessments, general and special, for the fiscal year 2014 - 2015, as follows:

Assessor's Parcel No	:	018-0450-005	
1st Installment	:		NOT Marked Paid
2nd Installment	:		NOT Marked Paid

2. The lien of supplemental taxes, if any, assessed pursuant to the provisions of Section 75, et seq., of the Revenue and Taxation Code of the State of California.

3. (1) Any adverse claim based upon the assertion that:
  - (a) Some portion of said land has been created by artificial means, or has accreted to such portion so created.
  - (b) Some portion of said land has been brought within the boundaries thereof by an avulsive movement of Lake Merritt Canal, or has been formed by accretion to any such portion.

(2) Rights and easements for navigation and fishery which may exist over that portion of said land lying beneath the waters of Lake Merritt Canal.

4. An easement affecting that portion of said land and for the purposes stated herein and incidental purposes as provided in the following

Granted To	:	Oakland Water Front Company, a California corporation
For	:	Single or double track street railroad
Recorded	:	<a href="#">December 8, 1898 in Book 672 of Deeds, Page 309</a>
Affects	:	A portion

The present ownership of said easement and other matters affecting the interests thereto, if any, are not shown herein.

**OLD REPUBLIC TITLE COMPANY**  
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**UPDATED**

5. An easement affecting that portion of said land and for the purposes stated herein and incidental purposes as provided in the following

Granted To : Pacific Gas and Electric Company, a California corporation  
For : Underground gas main or pipeline  
Dated : April 5, 1963  
Recorded : [May 20, 1963 in Reel 888 of Official Records, Image 404 under Recorder's Serial Number AU85363](#)  
Affects : A portion

The present ownership of said easement and other matters affecting the interests thereto, if any, are not shown herein.

6. A Notice as follows:

Entitled : Notice of Designation of a Landmark  
By : City of Oakland - Director of City Planning  
Recorded : [June 13, 1980 in Official Records under Recorder's Serial Number 80-101791](#)

Said matters affect the Oakland Municipal Auditorium

7. Encroachments of garage walls, concrete canopy and a column on the south portion of the museum building, on to other lands owned by the City of Oakland, disclosed by Memorandum of Ground Lease Agreement, recorded February 10, 1982, Series No. 82-20094, Official Records.

8. Redevelopment Plan, as follows:

Entitled : Amended Central District Urban Renewal Plan Oakland, California  
Executed By : The City of Oakland  
Dated : August 31, 1995  
Recorded : [September 1, 1995 in Official Records under Recorder's Serial Number 95201279](#)

Revised Statement of Institution of Redevelopment for Central District Redevelopment Project, recorded December 3, 2007, [Series No. 2007-409569](#), Official Records.

**OLD REPUBLIC TITLE COMPANY**  
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**UPDATED**

9. Agreement for : Sale, Assignment and Assumption  
Executed By : California Statewide Communities Development Authority  
and Between : Oakland Joint Powers Financing Authority

On the terms, covenants and conditions contained therein,

Recorded : [June 14, 2001 in Official Records under Recorder's Serial Number 2001-205735](#)

Affects Parcel Two and a portion of Parcel One (Convention Center)

Note: Reference is made to said instrument for full particulars.

10. PERPETUAL DEED RESTRICTIONS, but omitting any covenants or restrictions if any, based upon race, color, religion, sex, handicap, familial status, or national origin unless and only to the extent that said covenant (a) is exempt under Title 42, Section 3607 of the United States Code or (b) relates to handicap but does not discriminate against handicapped persons, as provided in the

Deed From : California Statewide Communities Development Authority  
Recorded : [June 14, 2001 in Official Records under Recorder's Serial Number 2001-205736](#)

NOTE: "If this document contains any restriction based on race, color, religion, sex, sexual orientation, familial status, marital status, disability, national origin, source of income as defined in subdivision (p) of section 12955, or ancestry, that restriction violates state and federal fair housing laws and is void, and may be removed pursuant to Section 12956.2 of the Government Code. Lawful restrictions under state and federal law on the age of occupants in senior housing or housing for older persons shall not be construed as restrictions based on familial status."

11. An unrecorded lease upon the terms, covenants, and conditions contained or referred to therein,

Lessor : City of Oakland, a municipal corporation  
Lessee : Oakland Joint Powers Financing Authority, a joint exercise of powers authority organized and operating under the laws of the State of California

Disclosed by : Memorandum of Second Amended and Restated Ground Lease  
Recorded : [June 14, 2001 in Official Records under Recorder's Serial Number 2001-205737](#)

Affects that portion of Parcel One lying within the convention center parcel, as described therein

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**UPDATED**

NOTE: The present ownership of said leasehold or leaseholds and other matters affecting the interest of the lessee or lessees are not shown herein.

12. An easement affecting that portion of said land and for the purposes stated herein and incidental purposes as provided in the following

Instrument : Memorandum of Second Amended and Restated Ground Lease  
Granted To : Oakland Joint Powers Financing Authority, a Joint Powers Authority  
duly authorized under the laws of the State of California  
For : Pedestrian and vehicular access and Parking  
Recorded : [June 14, 2001 in Official Records under Recorder's Serial Number  
2001-205737](#)  
Affects : Portions of Parcel One

The present ownership of said easement and other matters affecting the interests thereto, if any, are not shown herein.

13. An unrecorded lease upon the terms, covenants, and conditions contained or referred to therein,

Lessor : Oakland Joint Powers Financing Authority, a joint exercise of powers  
organized and operating under the laws of the State of California  
Lessee : City of Oakland  
Disclosed by : Memorandum of Second Amended and Restated Lease and Sublease  
Agreement  
Recorded : [June 14, 2001 in Official Records under Recorder's Serial Number  
2001-205738](#)

NOTE: The present ownership of said leasehold or leaseholds and other matters affecting the interest of the lessee or lessees are not shown herein.

And as modified by an instrument, executed by Oakland Joint Powers Financing Authority, recorded [January 31, 2012 in Official Records under Recorder's Serial Number 2012031147](#).

14. Easements for ingress, egress, private rights and/or utilities and incidental purposes, as disclosed by instruments of record affecting the "Common Elements".

15. Recitals as shown or noted on the filed map.

**OLD REPUBLIC TITLE COMPANY**  
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**UPDATED**

16. Terms and provisions as contained in an instrument,

Entitled : Easement Agreement  
Executed By : City of Oakland, a municipal corporation and The Redevelopment Agency of the City of Oakland  
Dated : January 26, 2012  
Recorded : January 30, 2012 in Official Records under Recorder's Serial Number 2012028317  
Returned to Address : City of Oakland, Ceda Building Services, Bldg. Services - Code Compliance, 250 Frank H. Ogawa Pl - Rm. 2340, Oakland, California 94612

Affects Parcel 2

Note: Reference is made to said instrument for full particulars.

Any defect, or claim thereof, by reason of any violation of the California Statute known as AB 1X 26 or any matter contained therein.

17. The requirement that this Company be provided with an opportunity to inspect the land (the Company reserves the right to make additional exceptions and/or requirements upon completion of its inspection).

18. Any unrecorded and subsisting leases.

19. Any facts, rights, interests, or claims that are not shown by the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.

20. The requirement that satisfactory evidence be furnished to this Company of compliance with applicable statutes, ordinances and charters governing the ownership and disposition of the herein described land.

----- **Informational Notes** -----

A. The applicable rate(s) for the policy(s) being offered by this report or commitment appears to be section(s) 1.1 and 2.1.

**OLD REPUBLIC TITLE COMPANY**

**ORDER NO. 1117011634-JM**

**UPDATED**

- B. The above numbered report (including any supplements or amendments thereto) is hereby modified and/or supplemented to reflect the following additional items relating to the issuance of an American Land Title Association loan form policy:

NONE

NOTE: Our investigation has been completed and there is located on said land a commercial building known as Kaiser Convention Center, Parcel 2 Parcel Map 9956, Oakland, CA 94601.

The ALTA loan policy, when issued, will contain the CLTA 100 Endorsement and 116 series Endorsement.

Unless shown elsewhere in the body of this report, there appear of record no transfers or agreements to transfer the land described herein within the last three years prior to the date hereof, except as follows:

NONE

Grant Deed executed by The City of Oakland, a municipal corporation to The Redevelopment Agency of the City of Oakland, a community redevelopment agency organized and existing under the California Community Redevelopment Law recorded [January 30, 2012 in Official Records under Recorder's Serial Number 2012028316](#).

Grant Deed executed by The Redevelopment Agency of the City of Oakland to The City of Oakland recorded [January 31, 2012 in Official Records under Recorder's Serial Number 2012031137](#).

Grant Deed executed by The Oakland Joint Powers Financing Authority to The City of Oakland recorded [January 31, 2012 in Official Records under Recorder's Serial Number 2012031144](#).

Grant Deed executed by The Oakland Redevelopment Successor Agency, successor agency to the Redevelopment Agency of the City of Oakland under California Health and Safety Code Section 34173 to The City of Oakland, a municipal corporation recorded [April 7, 2014 in Official Records under Recorder's Serial Number 2014084885](#).

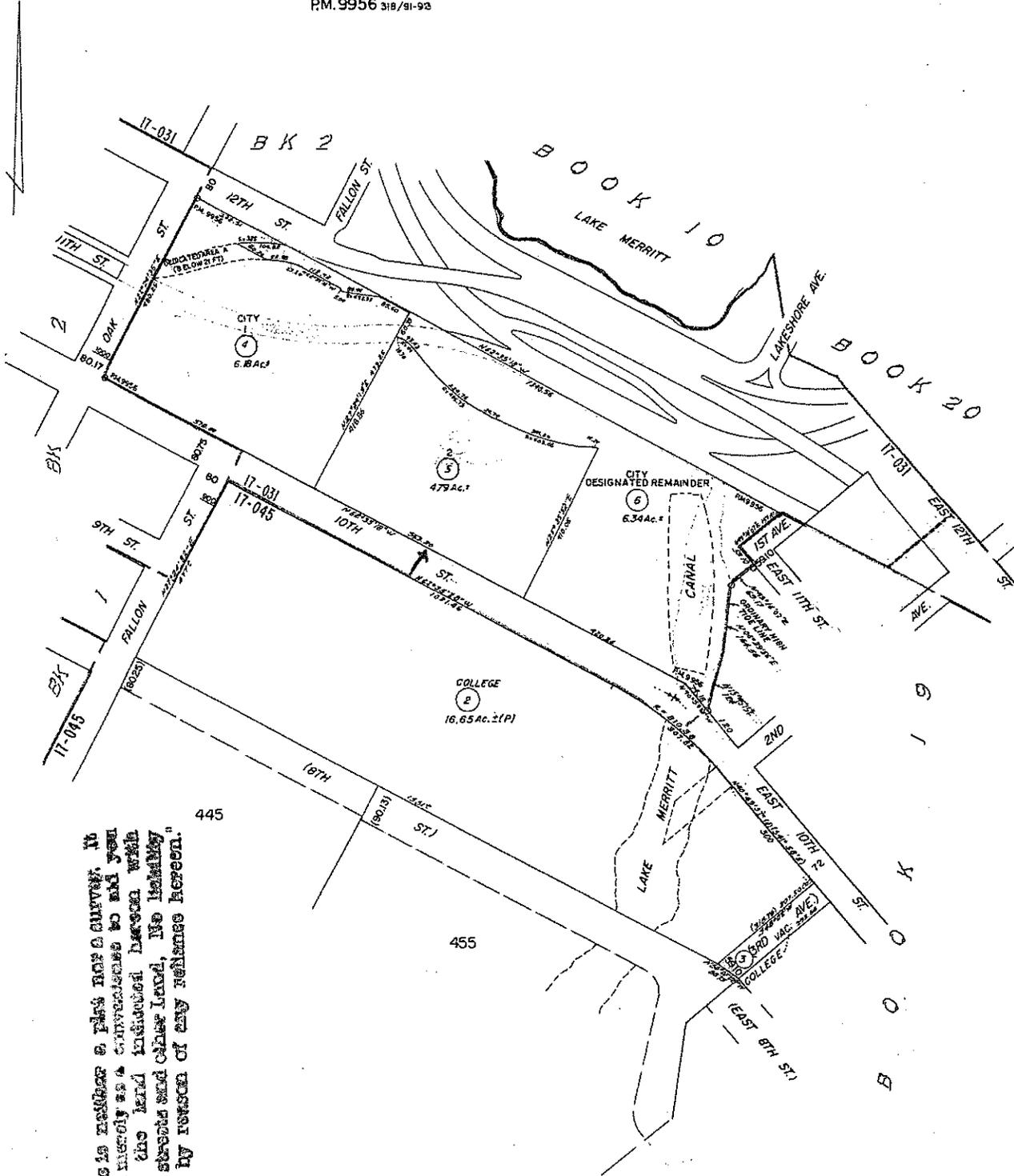
450

Scale: 1" = 200'

LAKE MERRITT AND PROPOSED PARK (Bk. 32 Pg. 8A)  
OAKLAND AND VICINITY (BOARDMAN) (Bk. 17 Pg. 14)  
KIRKHAM ESTATE (Bk. 21 Pg. 40)  
GRANT TO CITY OF OAKLAND (Bk. 51 Pg. 22)  
P.M. 9956 3/19/91-93

Drawn: 2-66 R.H.S. Revised: 4-16-72 J.W.  
11-26-12 C.C. 5-22-87 B.V.  
2-11-14 L.L. 4-18-04 E.C.  
9-11-12 N.R.C.

Formerly: Blk. 1/4 B 1/6 Bk. 0, Blks. 137, 166, 199 & 200 Bk. 2, Blks. 6, 26 B 1/4 Bk. 25 Bk. 13  
0/480



Notes: This is neither a plat nor a survey. It is furnished merely as a convenience to aid you in locating the land indicated herein with reference to streets and other land. No liability is assumed by reason of any reference herein.

A.C.M.

Reference: Code 2-24-6 R.S. 359 (R.S. Bk. 7 Pg. 27)

Ind. 6

STATEMENT OF CLERK OF THE BOARD OF SUPERVISORS

I, CRISTAL HISHIDA GRAFF, CLERK OF THE BOARD OF SUPERVISORS OF THE COUNTY OF ALAMEDA, STATE OF CALIFORNIA, DO HEREBY CERTIFY THAT CERTIFICATES HAVE BEEN FILED AND DEPOSITS HAVE BEEN MADE IN CONFORMANCE WITH THE REQUIREMENTS OF SECTION 66492 AND 66493 OF THE GOVERNMENT CODE OF THE STATE OF CALIFORNIA.

DATE: January 20, 2012 CRISTAL HISHIDA GRAFF, CLERK OF THE BOARD OF SUPERVISORS, OF THE COUNTY ALAMEDA, STATE OF CALIFORNIA. BY: Francine P. Chabot DEPUTY CLERK

CITY ENGINEER'S STATEMENT

I, RAYMOND W. DEBANA, CITY ENGINEER, HAVING BEEN AUTHORIZED TO PERFORM THE DUTIES OF THE CITY ENGINEER OF THE CITY OF OAKLAND, COUNTY OF ALAMEDA, STATE OF CALIFORNIA, FOR THE PURPOSE OF REVIEWING SUBDIVISION MAPS, DO HEREBY CERTIFY THAT I HAVE EXAMINED THE HERON EMBODIED PARCEL MAP ENTITLED "PARCEL MAP 9956, LANDS OF THE CITY OF OAKLAND, INCLUDING THE KAISER CONVENTION CENTER AND THE OAKLAND MUSEUM, CITY OF OAKLAND, COUNTY OF ALAMEDA, STATE OF CALIFORNIA"; THAT THE SUBDIVISION AS SHOWN ON SAID PARCEL MAP IS SUBSTANTIALLY THE SAME AS THAT APPEARING ON THE TENTATIVE MAP, IF ANY, AND ANY APPROVED SUBDIVISION MAP ACT OF THE GOVERNMENT CODE AND THE LOCAL ORDINANCES APPLICABLE AT THE TIME OF THE TENTATIVE MAP; FURTHERMORE PURSUANT TO O.A.C. 18.24.1.30, DEDICATION OF PUBLIC ROADWAY IDENTIFIED AS "DEDICATION AREA A" IS HEREBY ACCEPTED ON BEHALF OF THE CITY OF OAKLAND; AND THAT I AM SATISFIED THAT THE PARCEL MAP IS TECHNICALLY CORRECT.

IN WITNESS WHEREOF, I HAVE HERETO SET MY HAND THIS 20th DAY OF January 2012.



RAYMOND W. DEBANA, R.C.E. NO. 27815, CITY ENGINEER, CITY OF OAKLAND, ALAMEDA COUNTY, STATE OF CALIFORNIA, LICENSE EXPIRES 3/31/2012.

RECORDER'S STATEMENT

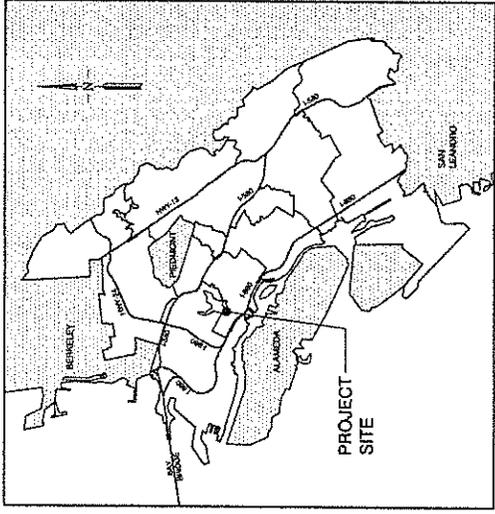
FILED THIS 20th DAY OF JANUARY 2012, AT THE REQUEST OF MR. HAMID GHAEWAGHAMI, RECORDIN # 2012-02-27

PATRICK O'CONNELL, COUNTY RECORDER, COUNTY RECORDER, BY: [Signature] COUNTY RECORDER

PARCEL MAP No. 9956

LANDS OF THE CITY OF OAKLAND, INCLUDING THE KAISER CONVENTION CENTER AND THE OAKLAND MUSEUM

CITY OF OAKLAND, ALAMEDA COUNTY, CALIFORNIA, JANUARY 2012



VICINITY MAP NOT TO SCALE

VESTING DOCUMENT TABLE

Table with columns: DOCUMENT, DATE, TYPE. Lists various deeds, resolutions, and judgments from 1908 to 1964.

CITY OF OAKLAND OFFICE OF THE CITY SURVEYOR PROJECT DELIVERY PUBLIC WORKS AGENCY

OWNER'S STATEMENT THE UNDERSIGNED HEREBY STATES THAT THE CITY OF OAKLAND IS THE OWNER OF THE LAND DELINEATED AND EMBODIED WITHIN THE EXTERIOR BOUNDARY LINES ON THE HERIN EMBODIED PARCEL MAP 9956, LANDS OF THE CITY OF OAKLAND, COUNTY OF ALAMEDA, STATE OF CALIFORNIA...

DATE: 1-20-2012 BY: [Signature] SUPERVISOR OF REAL ESTATE AGENT, CITY OF OAKLAND

OWNER'S ACKNOWLEDGEMENT

STATE OF CALIFORNIA ) COUNTY OF ALAMEDA ) SS. ON 1-20 2012, BEFORE ME, Anthony Reese a Notary Public in and for said state, personally appeared Hamid GhaeWaghami, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the foregoing instrument, and that he executed the same in his authorized capacity and that he is duly qualified to execute the same in his authorized capacity and that he executed the instrument, acknowledged the entry upon behalf of which the person acted, executed the instrument.

I CERTIFY UNDER PENALTY OF PERJURY UNDER THE LAWS OF THE STATE OF CALIFORNIA THAT THE FOREGOING PARAGRAPH IS TRUE AND CORRECT.



WITNESS MY HAND AND OFFICIAL SEAL.

SIGNATURE [Signature] (SEAL) MY COMMISSION NUMBER: 1391279

OWNER/SUBDIVIDERS' ADDRESS

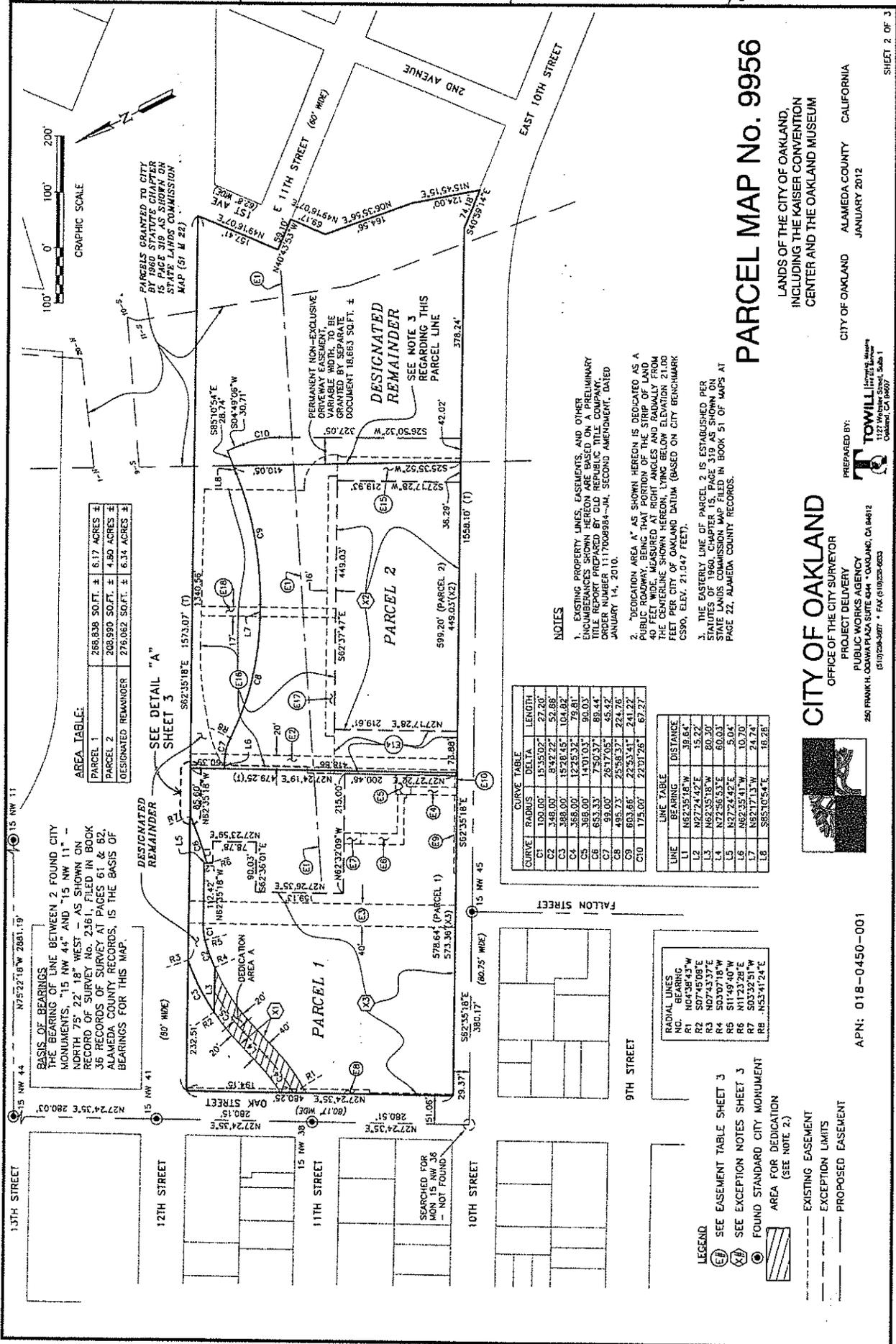
CITY OF OAKLAND, REDEVELOPMENT AGENCY OF THE CITY OF OAKLAND & OAKLAND JOINT FORHERS FINANCING AUTHORITY, ONE FRANK H. OGAWA PLAZA OAKLAND, CALIFORNIA 94612

SURVEYOR'S STATEMENT

THIS MAP WAS PREPARED BY ME OR UNDER MY DIRECTION AND WAS COMPILED FROM THE CITY OF OAKLAND'S RECORDS OF THE SUBDIVISION MAP ACT AND LOCAL ORDINANCE AT THE REQUEST OF THE CITY OF OAKLAND, COUNTY OF ALAMEDA, STATE OF CALIFORNIA. I HEREBY STATE THAT THIS PARCEL MAP SUBSTANTIALLY CONFORMS TO THE APPROVED OR CONDITIONALLY APPROVED TENTATIVE MAP, IF ANY.



DATE: JANUARY 19, 2012 BY: [Signature] FRANK A. BORGES, P.L.S., L.S. NO. 7822 EXPIRES 12/31/2013



**AREA TABLE:**

PARCEL 1	288,838 SQ.FT. ±	6.17 ACRES ±
PARCEL 2	208,990 SQ.FT. ±	4.80 ACRES ±
DESIGNATED REMAINDER	276,062 SQ.FT. ±	6.34 ACRES ±

SEE DETAIL "A"  
SHEET 3

**BASIS OF BEARINGS**  
THE BEARING OF LINE BETWEEN 2 FOUND CITY MONUMENTS, "15 NW 44" AND "15 NW 11" - NORTH 75° 22' 18" WEST - AS SHOWN ON RECORD OF SURVEY NO. 2361, FILED IN BOOK 35 RECORDS OF SURVEY AT PAGES 61 & 62, ALAMEDA COUNTY RECORDS, IS THE BASIS OF BEARINGS FOR THIS MAP.

**DESIGNATED REMAINDER**  
PERMANENT NON-EXCLUSIVE EASEMENTS TO BE GRANTED BY SEPARATE DOCUMENT 18663 SQ.FT. ±

**DESIGNATED REMAINDER**  
SEE NOTE 3 REGARDING THIS PARCEL LINE

SEARCHED FOR MON 15 NW 36  
MON - NOT FOUND

**CURVE TABLE**

CURVE	RADIUS	DELTA	LENGTH
C1	100.00	13.3502°	27.20
C2	348.00	8.8222°	52.88
C3	388.00	13.2845°	104.82
C4	388.00	12.2334°	79.81
C5	899.33	7.3010°	60.03
C6	899.33	26.1705°	48.47
C7	435.23	25.5437°	241.27
C8	603.66	22.8341°	241.27
C9	175.00	22.8126°	67.27

**LINE TABLE**

LINE	BEARING	DISTANCE
L1	N62°35'18"W	38.64'
L2	N27°24'42"E	15.22'
L3	N62°35'18"W	80.30'
L4	N27°24'42"E	60.03'
L5	N27°24'42"E	5.04'
L6	N62°35'41"W	10.70'
L7	N82°17'13"W	24.74'
L8	S85°10'54"E	16.28'

**RADIAL LINES**

NO.	BEARING
R1	N62°35'18"W
R2	S07°45'08"E
R3	N07°43'37"E
R4	S03°07'18"W
R5	S11°49'40"W
R6	N11°23'28"E
R7	S03°32'51"W
R8	N53°41'24"E

- LEGEND**
- SEE EASEMENT TABLE SHEET 3
  - SEE EXCEPTION NOTES SHEET 3
  - FOUND STANDARD CITY MONUMENT
  - AREA FOR DEDICATION (SEE NOTE 2)
  - EXISTING EASEMENT
  - EXCEPTION LIMITS
  - PROPOSED EASEMENT

**NOTES**

1. EXISTING PROPERTY LINES, EASEMENTS, AND OTHER ENCUMBRANCES SHOWN HEREON ARE BASED ON A PRELIMINARY ORDER NUMBER 117008984-JR, SECOND AMENDMENT, DATED JANUARY 14, 2010.

2. "DEDICATION AREA A" AS SHOWN HEREON IS DEDICATED AS A PUBLIC HIGHWAY BEING THAT PORTION OF THE STRIP OF LAND 40 FEET WIDE, BEING 100 FEET WIDE, BENEATH EAST 10TH STREET THE CENTERLINE SHOWN HEREON, LYING BELOW ELEVATION 21.00 FEET PER CITY OF OAKLAND DATUM (BASED ON CITY BENCHMARK CS90, ELEV. 21.047 FEET).

3. THE EASTERLY LINE OF PARCEL 2 IS ESTABLISHED PER STANDARD CITY MONUMENT AS SHOWN ON STATE LANDS COMMISSION MAP FILED IN BOOK 51 OF MAPS AT PAGE 22, ALAMEDA COUNTY RECORDS.

**PARCEL MAP NO. 9956**

LANDS OF THE CITY OF OAKLAND,  
INCLUDING THE KAISER CONVENTION  
CENTER AND THE OAKLAND MUSEUM

**CITY OF OAKLAND**  
OFFICE OF THE CITY SURVEYOR

PREPARED BY:  
**TOWILL** Engineering, Inc.  
1127 Webster Street, Suite 1  
Oakland, CA 94607

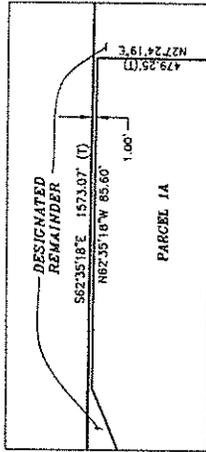
PUBLIC WORKS AGENCY  
PROJECT DELIVERY  
CITY OF OAKLAND ALAMEDA COUNTY CALIFORNIA  
JANUARY 2012

250 FRANK H. JOHNSON PLAZA SUITE 4044 • OAKLAND, CA 94612  
(510)258-3987 • FAX (510)258-6653

APN: 018-0450-001

EXISTING EASEMENT TABLE

NUMBER	DESCRIPTION	GRANTED TO	PER	LOCATION	APPROXIMATE LOCATION SHOWN
E1	SINGLE OR DOUBLE STREET RAILROAD	OAKLAND WATER FRONT COMPANY	GRANT DEED RECORDED 12/8/1888 IN BOOK 672 OF DEEDS, PAGE 309	SHOWN HEREON	SHOWN HEREON
E2	30 FT WIDE UNDERGROUND GAS MAIN OR PIPELINE	PACIFIC GAS AND ELECTRIC COMPANY	RECORDED MAY 20, 1963 IN BOOK 1157 OF OFFICIAL RECORDS, PAGE 448	SHOWN HEREON	SHOWN HEREON
E3	40 FT WIDE PUBLIC UTILITIES	RESERVED BY CITY OF OAKLAND	ORDINANCE NO. 6950 RECORDED MARCH 24, 1964 IN BOOK 1157 OF OFFICIAL RECORDS, PAGE 581	SHOWN HEREON	SHOWN HEREON
E4 THRU E10	ACCESS FOR PEDESTRIAN, VEHICULAR AND UTILITY, AND PUBLIC WALKWAY	RESERVED BY CITY OF OAKLAND	MEMORANDUM OF GROUND LEASE AGREEMENT RECORDED 2/10/1982 O.R. SERIES# 82-20094 O.R.	NOT PLOTTABLE	NOT PLOTTABLE
E11	PUBLIC UTILITIES AS SHOWN ON THE CITY OF OAKLAND SEWER MAP NOS. 184 & 185	RESERVED BY CITY OF OAKLAND	MEMORANDUM OF GROUND LEASE AGREEMENT RECORDED 2/10/1982 IN SERIES# 82-20094 O.R.	NOT PLOTTABLE	NOT PLOTTABLE
E12	EASEMENTS NECESSARY TO REPLACE UTILITIES WHICH MAY NOT BE OF RECORD	RESERVED BY CITY OF OAKLAND	MEMORANDUM OF GROUND LEASE AGREEMENT RECORDED 2/10/1982 IN SERIES# 82-20094 O.R.	NOT PLOTTABLE	NOT PLOTTABLE
E13	ENCROACHMENTS OF GARAGE WALLS, CONC. CURB AND A COLLUM ON THE SOUTH PORTION OF THE SOUTH PORTION TO OTHER LOTS OWNED BY THE CITY OF OAKLAND AND AN EASEMENT FOR PUBLIC UTILITIES OVER THE SWLY 5 FT OF SELV PORTION OF SAID LAND AS DISCLOSED BY AN INSPECTION OF SAID LAND	CITY OF OAKLAND	MEMORANDUM OF GROUND LEASE AGREEMENT RECORDED 2/10/1982 IN SERIES# 82-20094 O.R.	NOT PLOTTABLE	NOT PLOTTABLE
E14 & E15	A NON-EXCLUSIVE SURFACE EASEMENT FOR PEDESTRIANS AND VEHICLES	OAKLAND JOINT POWERS FINANCING AUTHORITY	MEMORANDUM OF SECOND AMENDED AND RESTATED GROUND LEASE RECORDED 6/14/2001 DOC# 2001-205737 O.R.	SHOWN HEREON	SHOWN HEREON
E16	A NON-EXCLUSIVE EASEMENT FOR 215 PARKING SPACES	OAKLAND JOINT POWERS FINANCING AUTHORITY	MEMORANDUM OF SECOND AMENDED AND RESTATED GROUND LEASE RECORDED 6/14/2001 DOC# 2001-205737 O.R.	SHOWN HEREON	SHOWN HEREON
E17 & E18	A NON-EXCLUSIVE EASEMENT SURFACE FOR PEDESTRIANS	OAKLAND JOINT POWERS FINANCING AUTHORITY	MEMORANDUM OF SECOND AMENDED AND RESTATED GROUND LEASE RECORDED 6/14/2001 DOC# 2001-205737 O.R.	SHOWN HEREON	SHOWN HEREON



DETAIL "A"  
SCALE: 1" = 20'

EXCEPTIONS, NOTES

- (1) THAT PORTION OF THE STRIP OF LAND 40.00 FEET WIDE, MEASURED AT RIGHT ANGLES AND RADICALLY LYING BELOW ELEVATION 21.042 FEET) THE OF OAKLAND DATUM (BASED OF CITY E.M. NO. 6590, 21.042 FEET) THE CENTERLINE SHOWN HEREON.
- (2) MEMORANDUM OF SECOND AMENDMENT BETWEEN THE CITY OF OAKLAND AND THE CITY OF OAKLAND JOINT POWERS FINANCING AUTHORITY PER DOC. NO. 2001205737 RECORDED JUNE 9, 1992, OFFICIAL RECORDS, 92-183327 RECORDED JUNE 9, 1992, OFFICIAL RECORDS.
- (3) ALL BUILDINGS, STRUCTURES AND OTHER IMPROVEMENTS, SITUATED ON AREA SHOWN HAS BEEN GRANTED BY CONVEYANCE FROM CITY OF OAKLAND TO PARTNERSHIP, RECORDED FEBRUARY 10, 1982, SERIES# 82-20095, OFFICIAL RECORDS, WHICH BUILDINGS, STRUCTURES AND OTHER IMPROVEMENTS ARE AND SHALL REMAIN REAL PROPERTY, LYING WITHIN THE DELINEATED PARCEL.
- (4) MEMORANDUM OF SECOND AMENDED AND RESTATED GROUND LEASE BETWEEN THE CITY OF OAKLAND AND THE OAKLAND JOINT POWERS FINANCING AUTHORITY PER DOC. NO. 2001205737 RECORDED JUNE 14, 2001, OFFICIAL RECORDS.
- (5) ALL BUILDINGS, STRUCTURES AND OTHER IMPROVEMENTS, SITUATED ON AREA SHOWN, HAS BEEN GRANTED BY CONVEYANCE FROM CITY OF OAKLAND TO BANK OF AMERICA NATIONAL TRUST AND SAVINGS ASSOCIATION, A NATIONAL BANKING ASSOCIATION, RECORDED OCTOBER 21, 1992, SERIES NO. 92-183327, OFFICIAL RECORDS, WHICH BUILDINGS, STRUCTURES AND OTHER IMPROVEMENTS ARE AND SHALL REMAIN REAL PROPERTY, LYING WITHIN THE DELINEATED PARCEL.

ADDITIONAL EXCEPTION TO PARCEL 1:

EASEMENTS FOR PUBLIC UTILITIES AS SHOWN ON THE CITY OF OAKLAND SEWER MAP NOS. 184 AND 185, EASEMENT FOR PUBLIC WALKWAY PURPOSES OVER THE SOUTHWESTERLY 5 FEET OF A SOUTHEASTERLY PORTION OF SAID LAND AS DISCLOSED BY AN INSPECTION OF SAID LAND; PLUS ANY EASEMENTS NECESSARY TO MAINTAIN OR REPLACE UTILITY LINES WHICH MAY NOT BE OF RECORD.

PARCEL MAP No. 9956

LANDS OF THE CITY OF OAKLAND,  
INCLUDING THE KAISER CONVENTION  
CENTER AND THE OAKLAND MUSEUM

CITY OF OAKLAND

OFFICE OF THE CITY SURVEYOR  
PROJECT DELIVERY  
PUBLIC WORKS AGENCY  
220 FRANK H. CONAW PLAZA, SUITE 444 • OAKLAND, CA 94612  
(510)238-3867 • FAX: (510)238-6653



PREPARED BY:  
TOWILL  
1327 W. 14th Street  
Oakland, CA 94612

CITY OF OAKLAND  
ALAMEDA COUNTY  
JANUARY 2012  
CALIFORNIA

# EXHIBIT B

## PROFESSIONAL QUALIFICATIONS PETER D. OVERTON

### PROFESSIONAL CREDENTIALS

Certified General Real Estate Appraiser (License No. AG002631)  
Recertified to 08/12/20 BREAA, State of California

Designated Member of the Appraisal Institute  
MAI; Appraisal Institute #11878  
Qualified as Expert Witness - Alameda County Superior Court

### EDUCATION

Department of Architecture, MIT, Cambridge, Massachusetts, 1964-65.  
B.A. Knox College, Galesburg, Illinois, 1965-1969

### Professional Courses Completed:

AIREA - Real Estate Appraisal Principles Course 1A1	1986
AIREA - Basic Valuation Procedures Course 1A2	1987
AI - Capitalization; Theory & Techniques 1B_A	1991
AI - Capitalization; Theory & Techniques 1B_B	1991
AI - Case studies in Real Estate Valuation 2-1	1992
AI - Report Writing & Valuation Analysis 540	1994
AI - Eminent Domain Seminar	1995
IRWA - Easement Valuation	1996
IRWA - Legal Aspects of Easements	1996
AI - Detrimental Conditions	1998
McKissock - Regression Analysis	1999
AI - USPAP 410-420	2000
AI - Highest and Best Use / Market Analysis	2005

### EXPERIENCE

All types of appraisal assignments in the San Francisco Bay Area with an emphasis on commercial, industrial, office, complex residential, and special purpose properties.

1986-1987 Mitch Durell & Associates Real Estate Appraisers

1987-1989 Dawson & Jones Inc. Real Estate Appraisals

1989-1990 Clyde Standley & Associates, Real Estate Appraisers

1990-Present Senior Appraiser  
Yovino-Young Incorporated, Berkeley, California

**CURRICULUM VITAE**  
**G. MICHAEL YOVINO-YOUNG, MAI, ASA, FRICS**

**PROFESSIONAL CREDENTIALS & MEMBERSHIPS**

General Certified Real Estate Appraiser, by State of California, Office of Real Estate Appraisers (BREA )  
License Number AG002841 Renewal Date: June 1, 2020

- MAI Appraisal Institute, Recertified to 12/31/2020
- FRICS Fellow, Royal Institution of Chartered Surveyors, London
- ASA Accredited Senior Appraiser, Urban Properties,
- American Society of Appraisers, Reaccredited to 8/16/2020
- SRA Appraisal Institute, Recertified to 12/31/2020
- RICS Continuing Professional Development (CPD) current
- Member International Right of Way Association (retired )
- Arbitrator Commercial Arbitration Tribunal, Retraining Completed  
Feb. 2000 American Arbitration Association (retired )
- Past Chairman, Commission 9 Valuation and Property Management,  
International Federation of Surveyors (FIG) , Copenhagen, Denmark (for Appraisal Institute )

**EDUCATION**

M.B.A., Urban Land Economics University of California at Berkeley 1963  
B.Sc., Commerce Santa Clara University 1958  
Continuing Education Requirements completed for BREA through June 2020, and MAI and ASA through 2020.

**PROFESSIONAL PRACTICE**

Full time general appraisal practice since 1960, including all types of urban and regional real estate throughout the State of California, and western United States, British Columbia, Mexico, England, Switzerland, and Italy. Instructor & Lecturer for Appraisal Institute, former American Institute of Real Estate Appraisers, former Society of Real Estate Appraisers, American Society of Appraisers, U. of California, Graduate Adjunct Faculty @ Golden Gate University, and Peralta Junior College District. International Consulting services through FIG member associations.

Market value appraisals for private parties, institutional lenders, insurance valuations, feasibility and investment analyses, portfolio management and audit, appraisal review.

Areas of specialization include commercial & industrial properties, special purpose properties including entertainment businesses, government & institutional property, transient lodging, marina & waterfront land uses, special interest & public interest properties including conservation easements, parkland, ocean frontages, leases & all purpose easements.

**LITIGATION RELATED PRACTICE**

Qualified and experienced expert witness for all state and federal courts, State FTB, and IRS. Court appointed arbitrator, umpire, commissioner in real estate valuation disputes. Litigation support and forensic services, review, critique, and preparation of examination of experts. Sole Arbitrator & Neutral/Third Panelist

**FAMILY, ESTATE AND PROBATE PRACTICE**

Appraisal and consulting services for marriage and partnership dissolutions, estates, probate, gifting, discounted fractional interests, tax disputes involving real estate and ownership interests. Arbitration services.

**OTHER AREAS OF SERVICE**

Insurance damage appraisals, catastrophic events with pre and post event valuation analyses, eminent domain, environmental impact, stigma and endangerment issues, construction defects, missed easements.

G. Michael Yovino-Young, President  
Yovino-Young, Inc. - 2716 Telegraph Avenue  
Berkeley, CA 94705-1175

Telephone (510) 548-1210 / Facsimile (510) 548-3110  
Email: [myy@yovino.com](mailto:myy@yovino.com)