

OAKLAND OVERSIGHT BOARD

MEMORANDUM

TO: Oakland Oversight Board

FROM: Fred Blackwell

SUBJECT: Approval of Oakland Army Base
Disposition

DATE: December 3, 2012

ITEM: #4

EXECUTIVE SUMMARY

The Oakland Redevelopment Successor Agency ("ORSA") is requesting the Oversight Board's approval of a resolution approving ORSA's approval of the disposition of the former Oakland Army Base to Prologis CCIG Oakland Global, LLC, per enforceable obligations to the federal government and the State of California. This is a necessary step in proceeding with the Oakland Army Base project as a City project, with clear title. As is explained below the Oakland Army Base has a long history that preceded it becoming a project of the Oakland Redevelopment Agency. No Redevelopment Agency funds were used to acquire the property; and it is necessary and appropriate, per state law, and per the existing circumstances, for the project to proceed as a City project.

In 2003, to enable local economic redevelopment and ease the economic hardship on the local community caused by base closure, the U.S. Department of the Army ("Army") transferred via a No-Cost Economic Development Conveyance ("EDC") 366 acres of the former Oakland Army Base ("OARB") to the Oakland Base Reuse Authority ("OBRA"), a joint powers authority composed of the City and the Redevelopment Agency of the City of Oakland (the "Redevelopment Agency"). The terms of the conveyance were set forth in the EDC Memorandum of Agreement ("EDC MOA") and the Environmental Services Cooperative Agreement ("ESCA") (together, the "EDC Agreements"). In return for the OARB, OBRA agreed to complete the environmental remediation of the property, and to use all proceeds received during the Reinvestment Period from the sale, lease, use, exchange or other disposition of the OARB ("EDC Property Proceeds") toward the economic redevelopment of the former Army Base.

The Reinvestment Period commenced with the conveyance of the OARB to OBRA in 2003 and expired in August 2012. All amounts of the EDC Property Proceeds that had not been reinvested at the end of the Reinvestment Period would be payable to the Army. In 2006, OBRA's assets, liabilities, rights and obligations, including OBRA's obligations under the EDC Agreements, transferred to the Redevelopment Agency as OBRA's successor in interest, and the Redevelopment Agency took on the redevelopment and remediation activities required by the EDC Agreements. On September 24, 2010, the Redevelopment Agency submitted to the Army a Reinvestment Plan that committed EDC Property Proceeds to the completion of environmental remediation, master planning, CEQA documentation, site preparation, and infrastructure development, and a schedule for completion. Proceeds encumbered for these long-term

improvements are considered as reinvested even though the funds may be disbursed after the Reinvestment Period has expired.

In light of the enforceable obligations stemming from the EDC and the need to continue redevelopment activities, on March 3, 2011, the Redevelopment Agency and the City appropriately entered into a Purchase and Sale Agreement ("Agency-City PSA"), approved by City Council Ordinance No. 83254 C.M.S. and Redevelopment Agency Resolution No. 2011-0025 C.M.S. (the "Agency-City PSA"), whereby the Redevelopment Agency agreed to sell and convey portions of the OARB to the City under its own auspices, and the City agreed to accept assignment of all agreements related to the property. On January 31, 2012, the City closed escrow on the transaction per the Agency-City PSA and took title to the Redevelopment Agency-owned portions of the OARB and assumed all of the Redevelopment Agency's rights and obligations under the EDC Agreements with respect to the OARB.

On October 23, 2012, the City entered into a Lease Disposition and Development Agreement and related documents ("LDDA") with Prologis CCIG Oakland Global, LLC ("Prologis"), authorized by City Council Ordinance 13131 C.M.S. and ratified and approved by ORSA Resolution 2012-006, for the lease and development of a mixed-use project on approximately 130 acres of the former OARB ("OAB Project"). (The Ordinance and Resolution are attached as **Attachment A** to this report and the site plan for the OAB Project is attached as **Attachment B**.) While most of the property within the OAB Project area is land that transferred from the Redevelopment Agency to the City, Parcel E, an approximately 16.7-acre shoreline strip of land in the OARB, is owned by ORSA. This parcel is Public Trust land that was patented to the Redevelopment Agency through the Oakland Army Base Title Settlement and Exchange Agreement. Any change in ownership is subject to the State Lands process. Due to the uncertain timeframe to effect a change in ownership, Parcel E remained with the Redevelopment Agency and was transferred to ORSA upon the dissolution of the Redevelopment Agency.

ORSA's approval and ratification of the LDDA is required for the development of Parcel E. As a precautionary measure, ORSA's approval was secured for the rest of the OAB Project as well should all of the property in the project area be transferred to ORSA. There is the risk of such a transfer as a result of an order from the State Controller, per the Controller's clawback authority under the dissolution statute. While the Controller has not issued a clawback order for the Army Base property to date, the Controller's letter has generated uncertainty about the City's title to the Army Base property, thereby discouraging any title company from issuing a title policy for the property and hindering the City's ability to subdivide and develop the land. Staff recommends adoption of the proposed legislation securing Oversight Board approval of the LDDA in order to move forward with the deal. Given the approval of the Oversight Board and the following concurrence of the State Department of Finance, it is the intent of the City to have ORSA quit claim its interest in the OARB, thereby clearly vesting title in the City. The City will subsequently also work with the State Lands Commission to vest the 16.7 acre shoreline strip of land with the City.

The LLDA is critical to the redevelopment of the OARB and to the economic growth of Oakland and the region. The LDDA helped the City preserve an allocation of \$242.1 million from the Proposition 1B Trade Corridor Improvement Fund ("TCIF"), and offers to provide up to \$172 million in private investment as match funding for the TCIF monies. The City anticipates that development resulting

from the LDDA will bring \$3,000,000 per year in lease and participation revenues, and create 1,840 – 2,330 jobs on-site and an additional 3,140 – 4,225 jobs throughout the region. Depending on the build-out program, the completed development is estimated to generate between \$1.68 million to \$2.90 million in property taxes for the taxing agencies.

OUTCOME

Future investment depends on the removal of ambiguity with respect to the City's title to the property. Approval of the proposed legislation moves the City closer to having clear title to the OARB property and enables the City to proceed with a development that will generate significant financial benefits for the taxing agencies from property taxes, business license taxes, sales taxes, and utility taxes.

BACKGROUND/LEGISLATIVE HISTORY

Development Requirements

When the Department of Defense Base Closure and Realignment ("BRAC") Commission recommended the OARB for closure in June 1995, OBRA was charged under BRAC law with planning and implementing the conversion of the former Oakland Army Base. OBRA undertook numerous planning processes to identify an economically viable direction for reuse of the OARB to meet Oakland's economic and community development objectives. The planning culminated in the *Final Reuse Plan for the Oakland Army Base* adopted on July 31, 2002 (and amended in 2007 and 2012). The *Final Reuse Plan* contains a conceptual vision for the site and a broad policy framework for the site's development, and it presents a menu of acceptable land uses that are meant to be refined based on market conditions and demands when the Army Base is ready to be developed.

As a result of the planning process and negotiations, 226 acres of the former Army Base were conveyed to the Port of Oakland ("Port") for its Port Development Area ("PDA"), and 140 acres along with the 20-acre Subaru Lot, which was not part of the EDC conveyance, were conveyed to the Redevelopment Agency for its Gateway Development Area ("GDA"). The two areas constitute the OARB. In January 2008, following conveyance of the GDA, the Redevelopment Agency initiated an RFQ/RFP process to identify a master developer for the GDA. The process resulted in the selection of AMB/California Capital Group (reorganized as Prologis/CCIG) and a development strategy for the GDA. Prologis proposed, and the Redevelopment Agency agreed, to align GDA development with the Port's operations and long-term expansion plans in order to leverage the opportunities and assets of the property, give the GDA regional or national reach, and better position it to obtain regional and national support.

On June 11, 2011, the Redevelopment Agency and the Port entered into a Cost Sharing Agreement which committed the Redevelopment Agency to invest up to \$32 million on eligible Trade Corridor Improvement Fund (TCIF) expenditures on the former Army Base in return for up to \$62 million of the Port's \$242.1 million TCIF allocation. Eligible expenditures include site remediation, planning and design, and construction of backbone infrastructure. On June 19, 2012, the City and the Port executed an Amended and Restated Cost Sharing Agreement which

committed the City to invest up to \$54.5 million on TCIF eligible expenditures in return for up to \$176.3 million of the TCIF allocation.

Based on the Amended and Restated Cost Sharing Agreement, which identified the sources of funding that will provide the required match for TCIF funds, and the City's approval of the LDDA, which included CEQA clearance for development, on August 22, 2012, the California Transportation Commission ("CTC") amended its Project Baseline Agreement with the Port for the TCIF Program to include the City as a party and signatory to the agreement and to revise the project scope to reflect that the bulk of the TCIF allocation will be used by the City for site preparation and backbone infrastructure. Access to the TCIF funds depends on starting construction by the end of 2013 and demonstrating to CTC prior to that date that the stated match funding will be available. Most of the required match is coming from private investment, which will be secured when the City enters into ground leases. If the City is unable to resolve the title issue, we will not be able to enter into the ground leases and assure CTC of the financial feasibility of infrastructure improvements proposed for the OARB.

Reinvestment and Redevelopment Obligations

The EDC MOA required OBRA (and subsequently the Redevelopment Agency) to reinvest all EDC Property Proceeds during the Reinvestment Period toward the economic redevelopment of the OARB. The proceeds can only be reinvested in specified uses, which include the following:

- (1) Road construction
- (2) Transportation management facilities
- (3) Storm and sanitary sewer construction
- (4) Police and fire protection facilities and other public facilities
- (5) Utility construction
- (6) Building rehabilitation
- (7) Historic property preservation
- (8) Pollution prevention equipment or facilities
- (9) Demolition
- (10) Disposal of hazardous materials generated by demolition
- (11) Landscaping, grading, and other site improvements
- (12) Planning for or the marketing of redevelopment and reuse of the former OARB
- (13) Environmental remediation
- (14) Relocation of the Homeless Collaborative
- (15) Acquisition of the Subaru Lot

The Army has performed annual audits to ensure proper use of the funds and progress with redevelopment activities. Proceeds that have been encumbered for improvements will have to be returned to the Army if the City cannot demonstrate progress with redevelopment of the OARB.

Environmental Obligations

To address environmental contamination from past Army Base activities and older industrial uses, OBRA commissioned a Remedial Action Plan and Risk Management Plan ("RAP/RMP"), which was approved by California's Department of Toxic Substances Control ("DTSC") in

2002. These agreements, as well as a DTSC-approved Covenant to Restrict Use of Property ("CRUP"), establish the cleanup goals, reporting procedures, and schedule for cleanup; restrict the uses of OARB property; and are binding on eventual developers and future owners of the property.

The former Army Base is currently being remediated under a joint City-Port program to commercial and industrial standards under the RAP/RMP. These procedures were designed with site development in mind, so the most costly RMP projects remain to be mitigated as part of the master site preparation mobilization effort. While the closure of some RMP locations may be deferred due to unforeseen considerations, the ESCA and Consent Agreement generally require all identified site-specific RMP sites to be closed by July 31, 2013.

In June 2003, OBRA, the Redevelopment Agency, the City (collectively the "City") and the Port of Oakland entered into a Memorandum of Agreement for Oakland Army Base. The agreement, which was amended and restated in February 2008 ("ARMOA"), memorializes each party's responsibilities with respect to the OARB conveyance and redevelopment program. Although the Army provided \$13 million in ESCA funds for the remediation of the OARB, the City and the Port acknowledged and agreed in the ARMOA that \$13 million would be insufficient for all the costs associated with remediation, and that up to \$11.6 million would be needed to cover the anticipated shortfall. In 2010, as the ESCA funds were nearing depletion, the City established the Joint Environmental Remediation Account Fund ("JERAF") by way of Redevelopment Agency Resolution 2010-0049 C.M.S. to be able to continue remediation activities. The City and the Port each agreed to contribute up to \$5,741,477 to the JERAF in \$500,000 increments.

While the Port is a partner in the cleanup of the OARB, under the ESCA, the ultimate responsibility for completing environmental remediation activities and achieving regulatory closure rests with OBRA and its designated successor. This obligation survives without regard to the potential for portions of the OARB to be transferred to future owners or tenants.

COST SUMMARY/IMPLICATIONS

At the City's request, Keyser Marston Associates ("KMA") evaluated the annual property tax revenues and economic impacts that would be generated by the OAB Project. (KMA analyzed three alternative development scenarios:

Scenario 1:

Completion of the City Gateway development and the Port Railyard

Scenario 2:

Completion of the entire Oakland Global program, including the City Gateway, the Port Railyard, the Port Logistic area and the Seventh Street grade separation improvements

Scenario 3:

Maintaining the status quo with no project moving forward and retention of existing tenants which are predominately storage and trucking related and generate a nominal amount of property taxes.

Projected economic benefits are as follows:

Scenario 1:

\$1.7 million in local property taxes
1,840 full-time permanent on-site jobs
3,140 to 4,225 indirectly supported jobs throughout the region
annual payroll of approximately \$228 million for on-site jobs and induced jobs
approximately \$909 million in gross receipts for on-site and induced economic activity

Scenario 2:

\$2.9 million in local property taxes
2,335 full-time permanent on-site jobs
4,980 to 6,560 indirectly supported jobs throughout the region
annual payroll of approximately \$302 million for on-site jobs and induced jobs
approximately \$1,217 million in gross receipts for on-site and induced economic activity

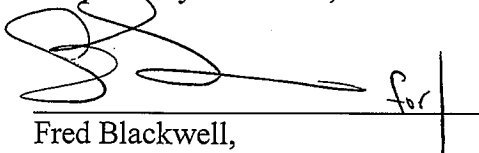
Scenario 3:

\$0.03 million in local property taxes
500 full-time permanent on-site jobs
460 indirectly supported jobs throughout the region
annual payroll of approximately \$40 million for on-site jobs and induced jobs
approximately \$140 million in gross receipts for on-site and induced economic activity

The complete analysis is attached as *Attachment C*.

The analysis clearly demonstrates the economic benefits the OAB Project will bring to Oakland and to the region. In order to move forward with the Project, the Oakland Redevelopment Successor Agency ("ORSA") requests the Oversight Board's approval of a resolution approving ORSA's approval of the disposition of the former Oakland Army Base to Prologis CCIG Oakland Global, LLC, per enforceable obligations to the federal government and the State of California, as a step necessary to ultimately clearly vest title to the project with the City.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Fred Blackwell', is written over a horizontal line. To the right of the signature, the word 'for' is written vertically.

Fred Blackwell,
Assistant City Administrator

Attachment A: OAB Project site map

Attachment B: Prior City Council Report and adopted Ordinance and ORSA Resolution regarding the OAB Project

Attachment C: KMA Evaluation of the OAB Project's Property Tax and Economic Impacts

OAKLAND OVERSIGHT BOARD

RESOLUTION No. 2012-_____

A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE DISSOLVED REDEVELOPMENT AGENCY OF THE CITY OF OAKLAND, PURSUANT TO CALIFORNIA HEALTH & SAFETY CODE SECTION 34181(a), APPROVING THE OAKLAND REDEVELOPMENT SUCCESSOR AGENCY'S ('ORSA'S') APPROVAL/RATIFICATION OF THE LEASE DISPOSITION AND DEVELOPMENT / BILLBOARD FRANCHISE AGREEMENT, GROUND LEASES, SITE MANAGEMENT PASS-THROUGH LEASE, AND RELATED DOCUMENTS (COLLECTIVELY "LDDA") BETWEEN THE CITY OF OAKLAND AND PROLOGIS CCIG OAKLAND GLOBAL, LLC, A DELAWARE LIMITED LIABILITY COMPANY, FOR A MIXED-USE DEVELOPMENT ON APPROXIMATELY 130 ACRES IN THE CENTRAL, EAST, AND WEST GATEWAY AREAS OF THE FORMER OAKLAND ARMY BASE ("OARB") AND ADOPTION OF ORDINANCE NO. 13131 C.M.S ("LDDA ORDINANCE") IN FULL

WHEREAS, in 2003, in order to enable local economic redevelopment and job creation and ease the economic hardship on the local community caused by the base closure per Section 2903 of Title XXIX of Public Law 101-510, the U.S. Department of the Army ("Army") transferred via No-Cost Economic Development Conveyance ("EDC") 366 acres of the former Oakland Army Base ("OARB") located in the City of Oakland, County of Alameda, State of California, to the Oakland Base Reuse Authority ("OBRA"), a joint powers authority composed of the City of Oakland ("City") and the Redevelopment Agency of the City of Oakland ("Redevelopment Agency") under the California Joint Exercise of Powers Act as set forth in Title 1, Division 7, Chapter 5, Article 1 of the Government Code of the State of California (Government Code § 6470 *et seq.*) by that certain Quitclaim Deed for No-Cost Economic Development Conveyance Parcel, ("Army EDC Deed") recorded August 8, 2003, as Doc. 2003-466370 in the Office of the Recorder of Alameda County, California (the "Official Records");

WHEREAS, the terms of the EDC conveyance were set forth in the EDC Memorandum of Agreement ("EDC MOA") and the Environmental Services Cooperative Agreement ("ESCA") among the Army, OBRA, and the Redevelopment Agency as OBRA's designated successor-in-interest;

WHEREAS, the ESCA requires OBRA and the Redevelopment Agency to remediate contaminated sites identified on the OARB and achieve regulatory closure, as defined by the ESCA, by July 31, 2013;

WHEREAS, under the ESCA, the ultimate responsibility for completing environmental remediation activities and achieving regulatory closure rests with OBRA and its successor-in-interest, and this obligation survives without regard to the potential for portions of the OARB to be transferred to future owners or tenants

WHEREAS, to address environmental contamination from past Army Base activities and older industrial uses, OBRA commissioned a Remedial Action Plan and Risk Management Plan ("RAP/RMP"), which was approved by California's Department of Toxic Substances Control ("DTSC") in 2002. These agreements, as well as a DTSC-approved Covenant to Restrict Use of Property ("CRUP"), establish the cleanup goals, reporting procedures, and schedule for cleanup; restrict the uses of OARB property; and are binding on eventual developers and future owners of the property;

WHEREAS, the EDC MOA requires OBRA and the Redevelopment Agency to reinvest proceeds received during the Reinvestment Period from the sale, lease, use, exchange or other disposition of the OARB ("EDC Property Proceeds") toward the economic redevelopment of the former Army Base, and all amounts of the EDC Property Proceeds that have not been reinvested at the end of the Reinvestment Period shall be payable to the Army;

WHEREAS, the Reinvestment Period commenced with the conveyance of the OARB to OBRA in 2003 and expired in August 2012;

WHEREAS, on September 24, 2010, the Redevelopment Agency submitted to the Army, and the Army accepted, a final Reinvestment Plan and schedule that committed the EDC Property Proceeds on hand to the completion of environmental remediation, master planning, CEQA documentation, site preparation, and infrastructure development;

WHEREAS, in 2003 OBRA transferred 226 acres of the OARB to the Port of Oakland ("Port") for its Port Development Area, and retained 140 acres of the OARB for later transfer to the City for the City's Gateway Development Area;

WHEREAS, in 2006, pursuant to the Oakland Army Base Title Settlement and Exchange Agreement between the State of California, acting by and through the State Lands Commission ("State"), the Port, OBRA and the City, dated June 30, 2006, the City and Port completed the exchange of Public Trust lands, such that the Public Trust was terminated on all of the City owned OARB (see State of California Patent and Trust Termination recorded August 7, 2006, as Doc. 2006-301853 in the Official Records), except on one approximately 16.7 acre parcel conveyed from the State to the Redevelopment Agency by State of California Patent and Trust Termination recorded August 7, 2006, as Doc. 2006-301850 ("Parcel E");

WHEREAS, also in 2006 and 2007, the portions of the OARB owned by OBRA that were not subject to the public trust were conveyed by OBRA to the Redevelopment Agency by the following Quitclaim Deeds, recorded September 19, 2006 as Docs. 2006-354006 and 2006-354007 and May 17, 2007 as Doc. 2007-190760 in the Official Records, and the Redevelopment Agency assumed all of OBRA's rights and obligations, including OBRA's rights and obligations under the EDC MOA and ESCA;

WHEREAS, to ensure that the enforceable obligations stemming from the EDC continue to be met upon Redevelopment Agency dissolution, on March 3, 2011, the Redevelopment Agency and the City entered into a Purchase and Sale Agreement ("Agency-City PSA"), approved by City Council Ordinance No. 83254 C.M.S. and Redevelopment Agency Resolution No. 2011-0025 C.M.S. (the "Agency-City PSA"), whereby the Redevelopment Agency agreed to sell and convey portions of the Gateway Development Area to the City under its own auspices, and the City agreed to accept assignment of all agreements related to the property.

WHEREAS, on January 31, 2012, the City closed escrow on the transaction per the Agency-City PSA and took title to the Gateway Development Area, except for the Public Trust encumbered Parcel E, and assumed all of the Redevelopment Agency's rights and obligations under the EDC Agreements with respect to the property;

WHEREAS, the Redevelopment Agency of the City of Oakland dissolved on February 1, 2012;

WHEREAS, the City subsequently formed the Oakland Redevelopment Successor Agency ("ORSA") to become the successor agency to the Redevelopment Agency, and ORSA assumed ownership of Parcel E;

WHEREAS, California Health and Safety Code Section 34177(e) provides for a successor agency to dispose of property of the former redevelopment agency at the direction of the oversight board expeditiously and in a manner aimed at maximizing value for the taxing entities;

WHEREAS, on October 23, 2012, the City entered into a Lease Disposition and Development Agreement and related documents ("LDDA") with Prologis CCIIG Oakland Global, LLC ("Prologis"), authorized by City Council Ordinance 13131 C.M.S. and ratified and approved by ORSA Resolution 2012-006, for the lease and development of a mixed-use project on approximately 130 acres of the Gateway Development Area ("OAB Project");

WHEREAS, on December 10, 2009, the California Transportation Commission ("CTC") and the Port entered into a Project Baseline Agreement to provide the Port with up to \$242.1 million in Trade Corridor Improvement Funds for the Port's proposed Outer Harbor Intermodal Terminals Project;

WHEREAS, on June 11, 2011, the Redevelopment Agency and the Port entered into a Cost Sharing Agreement which committed the Redevelopment Agency to invest up to \$32 million on eligible Trade Corridor Improvement Fund (TCIF) expenditures on the OARB in return for the City receiving up to \$62 million of the Port's \$242.1 million TCIF allocation;

WHEREAS, on June 19, 2012, the City and the Port executed an Amended and Restated Cost Sharing Agreement which committed the City to invest up to \$54.5 million on TCIF eligible expenditures in return for the City receiving up to \$176.3 million of the Port's TCIF allocation;

WHEREAS, the TCIF requires a one to one match, and the bulk of the match would come from \$172 million in private investment from the development of the OAB Project;

WHEREAS, based on the City's approval of the LDDA, CTC amended the Baseline Agreement with the Port to include the City as a party and signatory to the agreement and to revise the project scope to reflect that the bulk of the TCIF allocation will be used by the City for site preparation and backbone infrastructure;

WHEREAS, to access the TCIF funds, the City must start construction by December 31, 2013 and demonstrate to CTC prior to that date that the match funding will be available;

WHEREAS, the LDDA is critical for accessing the TCIF funds;

WHEREAS, to eliminate the potential of State Controller "claw back" of the property that the City believes was properly transferred from the Redevelopment Agency to the City of Oakland, the LDDA requires that title be clearly vested in the City of Oakland;

WHEREAS, property and sales taxes generated from the OAB Project and the development of the Project will be distributed to specified taxing entities in Alameda County pursuant to state law;

WHEREAS, it is estimated that the developed OAB Project will produce up to \$2.87 million more in property taxes for the taxing entities per year in the near term, than a lease of the Gateway Development Area in its current vacant condition without any prospect for imminent development;

WHEREAS, it is estimated that the developed OAB Project on the Gateway Development Area will generate up to 8,895 full-time on-site and induced jobs, while lease of the Gateway Development Area in its current condition without any prospect for imminent development generates only 960 full-time on-site and induced jobs;

WHEREAS, Health and Safety Code Section 34178(a) allows a successor agency to enter into an agreement with its sponsoring city with the approval of the oversight board

WHEREAS, given the financial feasibility of the proposed OAB Project and the need to provide match funding for TCIF funds, the LDDA with Prologis CCIG is necessary;

RESOLVED, by the Oakland Oversight Board as follows:

SECTION 1. The above Recitals are true and correct and are adopted as the findings of the Oakland Oversight Board.

SECTION 2. The Oakland Oversight Board hereby authorizes and approves the LDDA with Prologis CCIG, approved and ratified by the ORSA Administrator, for the lease and development of a mixed-use project on approximately 130 acres of the Gateway Development Area, consistent with the terms of this Resolution.

SECTION 3. The Oakland Oversight Board approves and authorizes the ORSA Administrator to enter into a Quitclaim Agreement with the City of Oakland to quitclaim its interest in the OARB.

SECTION 4. Pursuant to Sections 1 and 8(c) of Ordinance No. 10142 C.M.S., the Oakland Oversight Board hereby finds and determines that it is in the best interest of the Oversight Board to approve of ORSA's approval and ratification of the LDDA, given the need to redevelop the OARB for the benefit of the community.

SECTION 5 The Oakland Oversight Board further finds and determines that ORSA's approval and ratification of the LDDA will be of benefit to the community and to the taxing entities that will share in the additional property taxes assessed against the OARB and the additional sales and use taxes generated from the OAB Project will best maximize the value of the OARB for the taxing entities.

SECTION 6. the Oakland Oversight Board finds and determines that the OAB Project complies with CEQA.

SECTION 7. This resolution shall be in full force and effect immediately upon its passage as provided by Section 216 of the City Charter if adopted by at least six members of the Board, or upon the seventh day after final adoption if adopted by fewer votes.

ADOPTED, at a regular meeting held on December 3, 2012, by the members of the Oversight Board of the Successor Agency for the Dissolved Redevelopment Agency of the City of Oakland with the following vote:

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

NOES-

ABSENT-

ABSTENTION-

ATTEST: _____
SECRETARY, OAKLAND
OVERSIGHT BOARD