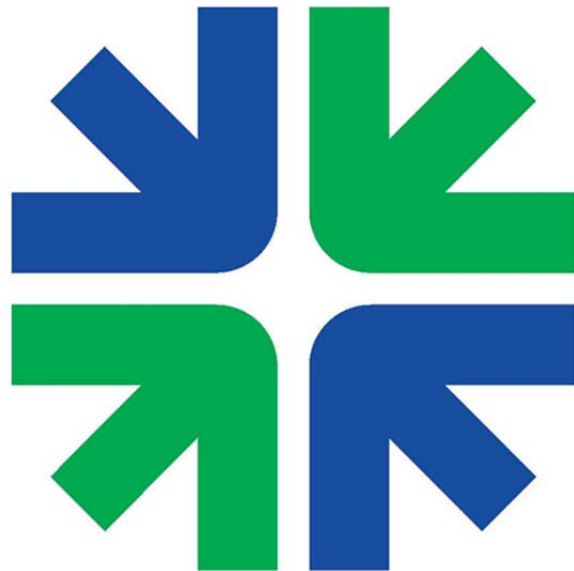


**CITY OF EMERYVILLE AS SUCCESSOR AGENCY TO THE
EMERYVILLE REDEVELOPMENT AGENCY**

Amended Long Range Property Management Plan

9/15/2015



INTRODUCTION

On June 27, 2012, Governor Brown signed into law Assembly Bill 1484 (AB 1484), a budget trailer bill that made substantial changes to the redevelopment agency dissolution process implemented by Assembly Bill 1X 26 (“Dissolution Act”). One of the key components of AB 1484 is the requirement that all successor agencies develop a Long Range Property Management Plan that addresses the disposition and use of the former non-housing redevelopment agency properties. On February 4, 2014 the City of Emeryville as Successor Agency to the Emeryville Redevelopment Agency (“Emeryville Successor Agency”) approved the Long Range Property Management Plan (Plan) for the disposition and use of ten (10) former non-housing redevelopment agency properties pursuant to Resolution No. SA03-14. Thereafter, on February 11, 2014, the Emeryville Oversight Board approved the Plan pursuant to Resolution No. OB 14-02 and the Emeryville Successor Agency submitted the Plan to the State of California, Department of Finance (Department) on February 18, 2014. On December 31, 2014, the Department notified the Emeryville Successor Agency that the Plan was not approved for the following reasons (Attachment 1):

1. Property No. 7 – Glashaus Public Parking – a public parking structure is not considered a governmental use and the Plan should include the lot size;
2. Property No. 8 – Amtrak and Public Parking – the Emeryville Successor Agency holds a sublease interest and thus since it is not the owner of fee title to the property, it does not need to be included in the Plan;
3. Property No. 9 – South Bayfront Site B – with respect to property to be transferred to a City for future development, the Plan must either reference a compensation agreement in place with the affected taxing entities or include intent to enter into one prior to disposition of the property. Additionally, the Emeryville Successor Agency should follow the advice of independent tax counsel regarding the amount of sales proceeds from the property that are restricted.

On February 6, 2015, the Emeryville Successor Agency and the City of Emeryville (City) filed an action in Superior Court of the State of California, County of Sacramento, challenging the Department’s December 31, 2014 determination with respect to Property No. 7 – Glashaus Public Parking and Property No. 9 – South Bayfront Site B. (See *City of Emeryville, Successor Agency to the Emeryville Redevelopment Agency v California Department of Finance; Michael Cohen*, Case No. 34-2015-80002015-CU-WM-GDS)(LRPMP Writ Action). A hearing on the LRPMP Writ Action is set was heard September 25, 2015. The court’s tentative ruling found that DOF did not abuse its discretion in rejecting the Successor Agency’s LRPMP and thus rejected the Successor Agency and City’s petition. The Successor Agency and City have requested further argument on the matter, which will be heard on October 23, 2015.

Notwithstanding the pending LRPMP Writ Action, and without waiving, abandoning, or conceding its position therein, the Emeryville Successor Agency prepared this Amended Long Range Property Management Plan (Amended Plan) to address the stated reasons for the Department's disapproval of the Plan. Accordingly, on September 1, 2015, the Successor Agency adopted Resolution No. SA 11-15, thereby approving the Amended Plan and forwarding it to the Emeryville Oversight Board for its consideration.

With respect to Glashaus Public Parking, in order to comply with the Department's December 31, 2014 directive, the Amended Plan identified the Glashaus Public Parking for immediate sale. However, on September 22, 2015, the Governor signed into law SB 107 which made further revisions to the Dissolution Act. In particular SB 107 amended Section 34181 and 34191.3 of the Dissolution Act to provide that parking facilities and lots dedicated solely to public parking constitute a governmental use provided those facilities do not generate revenues in excess of reasonable maintenance costs. As originally noted in the Plan and in the Amended Plan, the Glashaus Public Parking does not generate any revenue and currently costs approximately \$30,000 per year to operate and maintain. Accordingly, the Glashaus Public Parking is considered a governmental use as provided by SB 107. Therefore, on September 15, 2015, the Successor Agency adopted Resolution No. SA 14-15, thereby revising the Amended Plan to identify the Glashaus Public Parking as a property to be transferred to the City for governmental use and forwarding the Amended Plan as revised to the Emeryville Oversight Board for its consideration.

It should also be noted that in the time since the Department disapproved the Plan, the matter of City of Emeryville, Successor Agency to the Emeryville Redevelopment Agency v California Department of Finance; Michael Cohen, C074186 (Emeryville v Cohen I), upholding three (3) agreements between the City and Emeryville Successor Agency as enforceable obligations became final. One of the agreements provided for the transfer of the sublease, identified as Property No. 8 – Amtrak and Public Parking in the Plan, from the Emeryville Successor Agency to the City. Additionally, another of the agreements provided for the transfer of real property, identified as Property No. 1 – Horton Landing Park in the Plan, from the Emeryville Successor Agency to the City. In accordance with the enforceable obligations upheld in Emeryville v Cohen I, Property No. 1 – Horton Landing Park and Property No. 8 - Amtrak and Public Parking as described in the Plan have been transferred by the Emeryville Successor Agency to the City and thus are not included in this Amended Plan.

Finally, the Emeryville Successor Agency intends to sell an easement interest in the Shellmound Street Lot (Property 8) to the East Bay Municipal Utility District (EBMUD) pursuant to the terms of that certain Easement Purchase Agreement, as approved by the Emeryville Successor Agency on June 16, 2015 pursuant to Resolution No. SA10-15, and the Emeryville Oversight Board on June 23, 2015

pursuant to Resolution No. OB06-15 (Attachment 17 to Amended Plan). However, by letter dated August 10, 2015, notwithstanding the fact the aforementioned Easement Purchase Agreement was approved in order to avoid an eminent domain proceeding, the Department did not approve it. Instead, the Department advised that the disposition and use of real property, and presumably an easement interest, are to be governed by the Emeryville Successor Agency's Plan. Accordingly, the sale of the easement interest in the Shellmound Street Lot (Property 8) to EBMUD pursuant to the terms of the Easement Purchase Agreement is included in this Amended Plan.

Required Components of the LRPMP

Pursuant to Health and Safety Code Section 34191.5 (c), the Amended Plan must include the following components:

- (1) An inventory of all properties held by the Emeryville Successor Agency and the inventory shall provide all of the following information as to each parcel:
 - (a) The date of acquisition of the property and the value of the property at that time, and an estimate of the current value of the property.
 - (b) The purpose for which the property was acquired.
 - (c) Parcel data, including address, lot size, and current zoning in the former agency redevelopment plan or specific, community, or general plan.
 - (d) An estimate of the current value of the parcel including, if available, any appraisal information.
 - (e) An estimate of any lease, rental, or any other revenues generated by the property, and a description of the contractual requirements for the disposition of those funds.
 - (f) The history of environmental contamination, including designation as a brownfield site, any related environmental studies, and history of any remediation efforts.
 - (g) A description of the property's potential for transit-oriented development and the advancement of the planning objectives of the successor agency.
 - (h) A brief history of previous development proposals and activity, including the rental or lease of property.

- (2) Address the use or disposition of all properties held by the Emeryville Successor Agency. Permissible uses include the retention of the property for governmental use pursuant to subdivision (a) of Section 34181, the retention of property for future development, the sale of the property, or the use of the property to fulfill an enforceable obligation. The plan shall separately identify and list properties dedicated to governmental use purposes and properties retained for purposes of fulfilling an enforceable

obligation. With respect to the use or disposition of all other properties, all of the following shall apply:

- (a) If the plan directs the use or liquidation of the property for a project identified in an approved redevelopment plan, the property shall transfer to the city, county, or city and county;
- (b) If the plan directs the liquidation of the property or the use of revenues generated from the property, such as lease or parking revenues, for any purpose other than to fulfill an enforceable obligation or other than that specified in subparagraph (a), the proceeds from the sale shall be distributed as property tax to the taxing entities.
- (c) Property shall not be transferred to a successor agency, city, county, or city and county, unless the long-range property management plan has been approved by the oversight board and Department of Finance.

The properties discussed in this Amended Plan were acquired by the former Redevelopment Agency pursuant to authority contained in and in furtherance of projects identified in the applicable 1976 Emeryville Redevelopment Plan and 1987 Shellmound Park Redevelopment Plan and the Five Year Implementation Plan then in effect. A map depicting the project areas for these two redevelopment plans is attached (Attachment 2).

In 1993 the Legislature adopted Assembly Bill 1290, a comprehensive redevelopment reform bill. One of the key provisions was the requirement that each redevelopment agency prepare and adopt an overall implementation plan every five years that describes specific goals and objectives of the agency, outlines specific projects proposed by the agency, establishes a program of actions and expenditures for the next five (5) years, and describes how these actions will alleviate the documented blight conditions in the redevelopment project areas. Thus the implementation plan establishes a link between redevelopment plan activities and elimination of blight. The implementation plans were also required to be updated between the second and third year of each five-year implementation plan cycle. The former Redevelopment Agency complied with these obligations and the last Five Year Implementation Plan covering the period of January 2010 through December 2014 (2010-2014 Implementation Plan)(Attachment 3) was approved and adopted by the Redevelopment Agency on December 1, 2009 pursuant to Resolution No. RD74-09.

Property Categories

This Amended Plan for the Emeryville Successor Agency addresses the use and disposition of former Redevelopment Agency property pursuant to the following categories: 1) properties retained for governmental use; 2) properties retained for future development; and 3) properties slated for immediate sale. The Emeryville Successor Agency does not have any property to be used to fulfill an enforceable obligation and thus this category will not be discussed further. Each of the applicable categories is described below.

Governmental Use Properties

The Emeryville Successor Agency has six properties in this category that will be transferred to the City for continued governmental use. Health and Safety Code Section 34181 (a)(1) identifies use of property for roads, school buildings, parks, police and fire stations, libraries, parking facilities and lots dedicated solely to public parking, and local agency administrative buildings as being illustrative of a governmental use. Further, Section 34181 (a)(2) provides that “parking facilities and lots dedicated solely to public parking” do not include properties that generate revenues in excess of reasonable maintenance costs of the properties. As discussed below, the Glashaus Public Parking does not generate any revenue and currently costs approximately \$30,000 per year to operate and maintain and thus is a governmental use property.

Properties for Future Development

The Emeryville Successor Agency has one parcel in this category, South Bayfront Site B, which is located in the 1976 Emeryville Redevelopment Project Area that will be transferred to the City for future development pursuant to Health and Safety Code Section 34191.5(c)(2). Under Section 34191.5(c)(2)(A), the parcel will be transferred to the City for the eventual disposition to and development by a private developer of a project identified in the 1976 Emeryville Redevelopment Plan (1976 Redevelopment Plan)(Attachment 4), and the 2010-14 Implementation Plan (Attachment 3).

Since the Amended Plan directs that this property be transferred to the City and used for a project identified in an approved redevelopment plan pursuant to Section 34191.5 (c)(2)(a), the provisions of Section 34191.5(c)(2)(b) directing that the proceeds from the sale of property be distributed as property tax to the taxing entities does not apply. The Successor Agency interprets Section 34191.5 to mean that compensation agreements with affected taxing entities are not required in connection with the disposition of Emeryville Successor Agency property to the City for future development. Nevertheless, the Department has advised the Emeryville Successor Agency that Health and Safety Code Section 34180 (f) either requires a compensation agreement to be in place or that the City reach a compensation agreement with the affected taxing entities prior to disposition of the property. Further, SB 107 added subsection 34191.5(c)(2)(A)(iii) to the Dissolution Act, providing that the Department or the Oversight Board “may” require approval of a compensation agreement prior to transfer of property, provided, however, that the compensation agreement may be prepared subsequent to the process approving a long range property management plan.

Accordingly, pursuant to the Department's December 31, 2014 directive and in anticipation that the Department will require a compensation agreement pursuant to SB 107, this Amended Plan requires the City to enter into a compensation agreement with the affected taxing entities prior to disposition of the property. The compensation agreement will specify that any net unrestricted proceeds from the sale of the property will be distributed to all of the affected taxing entities on a pro rata basis in proportion to each entity's respective share of the property tax base. The calculation of net unrestricted proceeds shall take into account the transaction costs incurred by the City in marketing the property and processing the sale or lease, as well as the costs incurred by the City in carrying or maintaining the property and in preparing and improving the parcels for development. Notwithstanding the foregoing, this paragraph will not be operative if a court order or decision, legislation or Department policy reverses the directive that a compensation agreement is required in connection with the transfer of South Bayfront Site B by the Successor Agency to the City for future development.

Furthermore, three (3) of the five (5) parcels that comprise South Bayfront Site B were acquired with tax-exempt bond proceeds and thus bond counsel has advised that in accordance with bond covenants and applicable law, any proceeds from the eventual disposition of this development parcel will continue to be restricted to uses consistent with federal tax law and with the bond covenants in the indenture, such as investing in other capital projects meeting a redevelopment purpose as identified in the 2010-2014 Implementation Plan (Attachment 3). Therefore, this Amended Plan requires the City and Successor Agency to follow the advice of independent tax counsel regarding the distribution of sales proceeds from these parcels. If the opinion of tax counsel is consistent with the advice from bond counsel, the proceeds from the sale of three (3) of the five (5) parcels comprising South Bayfront Site B would not be available for distribution to taxing entities (Attachment 16). Accordingly, the aforementioned compensation agreement, if required, would address the distribution of proceeds from the sale of two (2) of the five (5) parcels comprising South Bayfront Site B and the City would utilize the proceeds from the sale of the three parcels acquired with bond proceeds to undertake projects identified in the 2010-2014 Implementation Plan (Attachment 3).

The City will be responsible for marketing the property to potential developers through either a competitive process such as a Request for Qualifications and Proposals or a negotiated purchase and sale transaction. The property will be sold at its fair market value or fair reuse value in its "as is" condition, based on the dictates of market conditions, the scope of development outlined by the City, and the development climate at the time of disposition. The determination of fair market value will consider the property's highest and best use. The determination of fair reuse value will consider the proposed use of the property and the value of the property with the conditions, covenants and development costs associated

with the negotiated disposition. The City may also choose to dispose of the property by means other than a fee sale, such as a long-term ground lease.

Any disposition of the property shall be governed by a negotiated disposition and development agreement or lease disposition and development agreement that will govern the terms of the disposition, the development of the property, and the use of the property following development. The disposition agreement will obligate the developer to develop and use the property consistent with the 1976 Redevelopment Plan (Attachment 4), the 2010-2014 Implementation Plan (Attachment 3), the City's General Plan, and any applicable specific plans. The City is authorized to negotiate and enter into such agreements and dispose of property pursuant to such agreements in conformance with this Plan.

Further, as required by Assembly Bill 470 (Government Code Section 52200 *et seq.*)(Attachment 14), the City will be required to hold a public hearing and adopt findings that the sale or lease of South Bayfront Site B will assist in the creation of "economic opportunity" as defined.

Properties for Immediate Sale

The Emeryville Successor Agency has one parcel in this category that will be sold by the Emeryville Successor Agency for fair market value at its highest and best use in its "as is" condition pursuant to Health and Safety Code Section 34191.5(c)(2). The Emeryville Successor Agency will engage the services of a broker to market this property for sale. The sale will be all cash as the Emeryville Successor Agency will not carry back any financing.

Additionally, the Emeryville Successor Agency intends to sell an easement interest in the Shellmound Street Lot (Property 8) to the East Bay Municipal Utility District (EBMUD) pursuant to the terms of that certain Easement Purchase Agreement, as approved by the Emeryville Successor Agency on June 16, 2015 pursuant to Resolution No. SA10-15, and the Emeryville Oversight Board on June 23, 2015 pursuant to Resolution No. OB06-15 (Attachment 17).

In accordance with Section 34191.5 (c)(2)(b), the proceeds from the sale of this parcel will be distributed as property tax to the taxing entities, unless otherwise provided by law. The Shellmound Street Lot was acquired in 1994 and the Emeryville Successor Agency has not yet identified the source of the funds utilized for its acquisition. If the Shellmound Street Lot was acquired with bond proceeds, the City and Successor Agency will be required to follow the advice of independent tax counsel regarding the distribution of sales proceeds from this parcel. Accordingly, it is possible that sales proceeds would not be distributed to taxing entities and instead would continue to be restricted to uses consistent with the bond covenants in the indenture, such as investing in other capital projects meeting a redevelopment purpose as identified in the 2010-2014 Implementation Plan (Attachment 3).

Properties Included in the Amended Plan

There are eight (8) properties included in the Amended Plan. These properties are divided by property type as described below and in the following sections of the report.

Governmental Use Properties

1. Greenway @ Parcel D
2. Greenway @ 59th Street
3. Emery Station Greenway Plaza
4. 48th St Community Garden
5. Art & Cultural Center
6. Glashaus Public Parking

Properties for Future Development

7. South Bayfront Site B

Properties for Immediate Sale

8. Shellmound Street Lot

Disposition Strategy Executive Summary

The disposition strategy contemplated for each property type is described below. A more detailed discussion of the required components of the inventory as to each parcel of property follows this summary and can be found at the page numbers of this Amended Plan indicated in parenthesis after each parcel below.

Governmental Use Properties

As provided by Health and Safety Code Section 34191.5 (c)(2), a permissible use of property includes retention of property for governmental use pursuant to subdivision (a) of Section 34181. Section 34181 (a) identifies use of property for roads, school buildings, parks, police and fire stations, libraries, parking facilities and lots dedicated solely to public parking, and local agency administrative buildings as being illustrative of governmental use. The six (6) properties intended to be transferred to the City for continued governmental use fall into three (3) categories: parks, a community facility and a parking facility dedicated solely to public parking.

Parks

- *Greenway @ Parcel D* (Pages 15-19 of Plan)
- *Greenway @ 59th Street* (Pages 20-26 of Plan)
- *Emery Station Greenway Plaza* (Pages 27-32 of Plan)
- *48th St Community Garden* (Pages 33-38 of Plan)

These following properties were purchased for park development, and will be transferred to the City for development and operation as components of Emeryville's park system. Each of these properties are identified in the City's General Plan land use element as open space and are accordingly zoned as open space. The area encompassing the Greenway @ 59th Street (11,782 s.f.) and Emery Station Greenway Plaza (3,925 s.f.) properties have been designated as open space since 2002 with the enactment of the North Hollis Overlay Zone, and the Greenway @ Parcel D (63,422 s.f.) obtained its current open space designation in 2006 with the enactment of the Park Avenue District Overlay. Further, the Emery Station Greenway Plaza was dedicated to the Successor Agency to fulfill development conditions that it be constructed as open space and dedicated to the City for that purpose. The 48th Street Community Garden (5,208 s.f.) obtained its current designation as part of the 2009 Emeryville General Plan adoption and conforming zoning regulations adopted thereafter. As a result of the current zoning of Open Space for these parcels, enacted long before the application of the Dissolution Act, these parcels have no market value.

With the exception of the 48th Street Community Garden, all of these park properties will be incorporated into a contiguous park and pedestrian/bicycle path called the "Emeryville Greenway", which when completed will extend across Emeryville from its northern to southern border. The concept of a linear park along what was known as the Ninth Street Drill Track was first reflected in the 1976 Redevelopment Plan (Attachment 4). The Drill Track ran along the westerly border of what is identified as Area I in the 1976 Redevelopment Plan and a project to develop a buffer between the existing residential area within Area I and the industrial area to the west by the use of a linear park is identified (Attachment 4: Pages 7, 37).

The Emeryville Greenway runs along the historic Ninth Street Drill Track alignment and plays a critical role in the linkage of the City's bicycle and pedestrian system, connecting the Emeryville Greenway with the City of Berkeley to the north, Oakland to the south, and the San Francisco Bay Trail to the west. The 1995-1999 Five Year Implementation Plan, as amended in 1998, identified a project of Railroad Spur Acquisition involving "acquisition of vacated, abandoned railroad spur rights of way, or surplus property, owned by the railroad companies for implementation of the City's circulation plan which includes bike paths, pedestrian underways and roads" to alleviate Blight Condition 2: Inadequate Street Systems (Attachment 5: Page 9).

This project to transform the Ninth Street Drill Track into the Emeryville Greenway gradually evolved through later implementation plans and is currently represented in the 2010-2014 Implementation Plan by several projects to alleviate Blight Condition 2: Inadequate Street Systems and Blight Condition 10: Inadequate Public Facilities. The projects include the Greenway: Stanford Avenue to Berkeley City Limits project, which encompasses the Emery Station Greenway Plaza parcel; Park Avenue Park – Land (Railroad) Acquisition project, which encompasses the Greenway @ Parcel D parcel; and Greenway @ 59th Street project, which encompasses the Greenway @ 59th Street parcel (Attachment 3: Pages 17, 32).

The 48th Street Community Garden site, acquired in 2008, will become one of three community gardens disbursed throughout the City available to the residents of Emeryville for urban agriculture. It also is identified in the 2010-2014 Implementation Plan to alleviate Blight Condition 10: Inadequate Public Facilities (Attachment 3: Page 32).

Community Facility

- *Art and Cultural Center* (Pages 39-45 of Plan)

The Emeryville Redevelopment Agency purchased a 30,000 square foot one-story, unreinforced masonry brick building, on a 33,697 square foot site, directly adjacent to City Hall for the purpose of developing an Art and Cultural Center in 2006. The Public Use General Plan land use designation and zoning has been in effect for this parcel since 2006. This project was first identified in the 2000-2004 Implementation Plan, as amended in June 2002, to address Blight Condition 10: Inadequate Public Facilities. The Civic Center Phase II project provides that it “would complete the Civic Center complex by acquiring the remaining building on the Civic Center block and converting it from private to public use. The existing building could be reused for a permanent exhibit space for the Celebration of the Arts show, as well as a year round performing arts center”(Attachment 6: Page 23). This project was refined in the 2005-2009 Implementation Plan, as amended in 2007, as the Performing Arts/Cultural Center project in order to address Blight Condition 10: Inadequate Public Facilities (Attachment 7: Page 31), and thereafter was continued in the latest 2010-2014 Implementation Plan (Attachment 3: Page 32). As a result of its current zoning for Public Use, enacted in 2006, this parcel has no market value and will be transferred to the City for continued governmental use.

Parking Facility Dedicated Solely To Public Parking

- *Glashaus Public Parking* (Pages 46-51 of Plan)

The intent of the Emeryville Successor Agency is to transfer the Glashaus Public Parking property to the City for continued governmental use. The Glashaus Public Parking consists of a separate condominium parcel containing 50 public parking spaces (8,331 s.f.) on the bottom floor of a two-story parking podium structure beneath four-stories of residential condominium units. The Redevelopment Agency contracted with Pulte Home Corporation to construct this public parking as a component of their condominium development pursuant to that certain Purchase and Sale Agreement And Preliminary Escrow Instructions between the parties dated October 16, 2006 (Attachment 8). The 2005-2009 Implementation Plan, as amended in October 2007, identified the North Hollis (65th/Hollis) Public Parking project involving the acquisition of 50 structured parking spaces in the Glashaus mixed use development to address parking needs in the area as a means to address Blight Condition 10: Inadequate Public Facilities (Attachment 7: Page 30).

Section 19.4 of the Purchase and Sale Agreement (Attachment 8) provided that the Agreement may be assigned to the City without Pulte's consent as a means to ensure that the parking was being made available to the public at large. The intent was that the 50 parking spaces be available to members of the public who are visiting the small commercial establishments in the Glashaus mixed use development and other nearby establishments in the area which lack available parking as opposed to being acquired by some private third party who then restricts access to themselves or the highest bidder. This parking is currently provided free to members of the public as a means to support nearby commercial businesses which lack adequate off-street parking.

This public parking was constructed at a cost of \$2,000,000, currently generates no revenue, and costs approximately \$30,000 per year to operate. Thus the Glashaus Public Parking property does not generate revenues in excess of reasonable maintenance costs. The current market value of the 50 parking spaces is unknown, but is being assigned an estimated value of \$250,000.

Properties for Future Development

South Bayfront Site B (Pages 52-67 of Plan)

The intent of the Successor Agency is to transfer an assemblage of five (5) parcels, comprising approximately 3.04 acres (132,491 s.f.), known as South Bayfront Site B to the City in order to be retained for future development of a project identified in, and in accordance with, the 1976 Redevelopment Plan (Attachment 4), the 2010-2014 Implementation Plan (Attachment 3), and the City's General Plan and any applicable specific plan. Future development of this site under the control of the City is essential in order to advance the planning objectives for which these properties were originally acquired by the former Redevelopment Agency and to realize community benefit objectives. The fundamental purpose for acquiring and developing these properties is to achieve

the objective identified in the 1976 Redevelopment Plan (Attachment 4) and 2010-2014 Implementation Plan (Attachment 3) as follows:

- 1976 Emeryville Redevelopment Plan: South Bayfront Site B is located in the general area identified as Area III in the 1976 Redevelopment Plan (Attachment 4). Within Area III, the 1976 Redevelopment Plan envisioned that the redevelopment of this area would seek to stop the exodus of major industrial uses from the area, intensify the development of property presently underutilized and develop appropriate commercial and residential development, especially along the freeway frontage. More specifically, the 1976 Redevelopment Plan (Attachment 4) recognizes that the Agency may assist the development of new commercial and residential development within Area III in order to strengthen the economic and employment base of Emeryville, as well as to provide a greater residential market within Emeryville (Attachment 4: Pages 8, 9) .
- 2010-2014 Implementation Plan : The 2010-2014 Implementation Plan (Attachment 3) identified the Bay Street Site B Project as a means to address and alleviate Blight Condition 4: Loss of Tax Base and Jobs and Blight Condition 5: Vacant And Underutilized Buildings. As described therein, Bay Street Site B will be a continuation and completion of the existing Bay Street Mixed-Use Development. The project will serve as a northern end-cap for the existing Bay Street development and may consist of retail (possibly a department store), a hotel, and structured parking (Attachment 3: Page 23).

Further, as required by Assembly Bill 470 (Government Code Section 52200 *et seq.*)(Attachment 14), the City will be required to hold a public hearing and adopt findings that the sale or lease of South Bayfront Site B will assist in the creation of “economic opportunity” as defined. Section 52200.2 provides that “economic opportunity” includes projects that create affordable housing, are included in a sustainable communities strategy adopted in accordance with Senate Bill 375, or are a transit priority project as defined in Public Resources Code Section 21155. Essentially the entire City of Emeryville, including South Bayfront Site B, is in a Priority Development Area (PDA) and PDAs are serving as the foundation upon which the Bay Area’s first sustainable communities strategy is structured (Attachment 15). Further, given the close proximity of South Bayfront Site B to the Emeryville Amtrak Station, which is a “major transit stop” as defined in Public Resources Code Section 21064.3, the South Bayfront Site B project is certain to qualify as a transit priority project depending upon the eventual mix and density of residential use. Finally, as described in the property profile below, the City’s General Plan and Planning Regulations are entirely consistent with the objectives of Assembly Bill 470 and Senate Bill 375 as they relate to the development of South Bayfront Site B.

In 2012, the South Bayfront Site B parcels were appraised at approximately \$13.88 million. Proceeds from the disposition of these parcels will be handled as discussed on pages 4 through 6 of this Amended Plan.

Properties for Immediate Sale

Shellmound Street Lot (Pages 68-74 of Plan)

The intent of the Successor Agency is to sell the parcel known as Shellmound Street Lot in its “as is” condition to the highest offer received. The Successor Agency will engage the services of a broker to market this property for sale. The sale will be all cash as the Successor Agency will not carry back any financing. In addition, the Successor Agency intends to sell an easement interest in the Shellmound Street Lot to the East Bay Municipal Utility District (EBMUD) pursuant to the terms of that certain Easement Purchase Agreement, as approved by the Emeryville Successor Agency on June 16, 2015 pursuant to Resolution No. SA10-15, and the Emeryville Oversight Board on June 23, 2015 pursuant to Resolution No. OB06-15 (Attachment 17).

The Shellmound Street Lot is a remnant piece from an acquisition of three (3) contiguous parcels known as Shellmound Ventures Lot I, II and III, acquired by the former Redevelopment Agency in 1994. A portion of the overall assemblage was sold to Caltrans for the widening of Interstate 80 in the aftermath of the Loma Prieta Earthquake and collapse of the adjacent Cypress Freeway; another portion was dedicated to the City for the construction of a new arterial roadway known as the Bay-Shellmound-40th Street Project; another portion was sold to Marriott for development of the Marriott Courtyard hotel; and another portion was sold to the Emeryville Redevelopment Project Partnership for the development of the Bay Street shopping mall. The acquisition of Shellmound Ventures I, II and III pre-dates the effectiveness of AB 1290, nevertheless the first Five Year Implementation Plan adopted in November 1994 identified the development of a Regional Retail Mall in the South Bayfront area of the City and this acquisition helped facilitate the transformation of the area from heavy industry to the mix of commercial/retail and residential uses in the area today.

The easement to be conveyed to EBMUD pursuant to the Easement Purchase Agreement is valued at \$22,000. The Shellmound Street Lot is estimated to be worth anywhere from \$1 million to \$2.5 million. Proceeds from the sale of the parcel will be handled as discussed on pages 6 and 7 of this Amended Plan.

Attachments and Appendix to the Amended Plan

Throughout the Amended Plan there are references to seventeen (17) attachments which are identified here, and appended to the end of the Amended Plan. Further, Appendix A to the Amended Plan contains the Property Inventory Data.

1. December 31, 2014 Department of Finance Letter Disapproving LRPMP
 2. Map of Emeryville and Shellmound Park Redevelopment Project Areas
 3. 2010-2014 Five Year Implementation Plan
 4. 1976 Emeryville Redevelopment Plan
 5. 1995-1999 Five Year Implementation Plan, as amended 1998
 6. 2000-2004 Five Year Implementation Plan, as amended 2002
 7. 2005-2009 Five Year Implementation Plan, as amended 2007
 8. Glashaus Purchase And Sale Agreement
 9. Agency/Emery Station Triangle LLC Owner Participation Agreement
 10. Agency/Emery Station Triangle LLC Right of Entry Permit
 11. Agency/ECOG 48th Street Community Garden License Agreement
 12. South Bayfront Site B Policy of Environmental Site Liability Insurance
 13. November 1994 Implementation Plan Emeryville Redevelopment Project No. 1
 14. Senate Bill 470
 15. One Bay Area – Overview of the Sustainable Communities Strategy
 16. Bond Counsel Opinion: Disposition of Site B: Tax-Exempt Bond – Financed Property
 17. Easement Purchase Agreement; Resolution No. SA10-15; Resolution No. OB06-15
- Appendix A: Property Inventory Data

Retention of Property for Governmental Use 1. Greenway @ Parcel D



Date of Acquisition: 12/01/2006

Value of Property at Acquisition: \$4,210,148

Estimated Current Value: \$0 based on market and current zoning

Purpose for Which Property was Acquired: Emeryville Greenway (Park)

Redevelopment Project Area: 1987 Shellmound Park Redevelopment Project Area

Parcel Description

Size: 63,422 square feet

APN: 049-1041-026-16

Acquired from the Union Pacific Railroad (UPRR) in 2006, the Greenway @ Parcel D lies at the western terminus of Sherwin Street just east of the main UPRR line in central Emeryville. The Greenway @ Parcel D property is an irregularly-shaped parcel located in central Emeryville at the southern terminus of Sherwin Street at its intersection with Halleck. The property is just east of the main UPRR passenger and freight line and immediately west of the former

Sherwin Williams factory site. A portion of the original site that is depicted in the map above outlined in yellow, approximating 21,489 square feet, was dedicated to the City for street purposes (Sherwin Avenue) shortly after it was acquired in 2006. This Plan only applies to that portion of the Greenway @ Parcel D remaining in the Successor Agency's control, approximating 63,422 square feet, which was intended to be used for park purposes (i.e. Emeryville Greenway).

Current Zoning

General Plan Land Use Classification: Park/Open Space, defined as "Parks, recreation facilities, and greenways for the general community, and open space for habitat conservation."

General Plan Parks, Open Space and Public Services Designation: Existing or Approved Park.

Zoning Base District: PO Park/Open Space. "The purpose of the PO zone is to implement the provisions of the General Plan applicable to the Park/Open Space land use classification."

Zoning Overlay District: PA Park Avenue District Overlay. "The purpose of the PA overlay zone is to implement the Park Avenue District Plan, including its Design Guidelines, adopted by Resolution No. 06-158 on August 15, 2006."

History of Environmental Contamination

The property has been occupied by rail spurs and a small rail yard from the early 1900s until the tracks were removed. According to the 2006 Erler & Kalinowski, Inc. (EKI) Phase I Environmental Site Assessment (ESA), the property was first developed in the early 1900s for use by several rail spurs and a small rail yard. The spurs served industrial occupants of industrial properties south of the UPRR Parcel D parcel.

Environmental conditions were evaluated by EKI in 2006 and documented in their report entitled Soil and Groundwater Investigation Data Report. The UPRR Parcel D site was found to be contaminated by arsenic, lead, cadmium and petroleum products. The scope of investigation included the advancement of 20 soil borings, the collection of soil samples from each boring, the collection of groundwater samples from six borings, and the analysis of collected samples for concentrations of a broad range of potential use-related contaminants. Results of analysis showed the presence of use-related contaminants (primarily fuel and lubricating hydrocarbons and metals) in shallow soil. Deeper contamination was detected in samples collected near the southern property boundary in the vicinity of an industrial building most recently occupied by Technichem (a solvent recycler) since 1987. This building was historically occupied by different tenants and utilized for different industrial purposes over the course of its existence.

Results of analysis of groundwater samples identified the presence of elevated concentrations of arsenic. According to EKI, all other contaminants of potential concern were present near or below regulatory threshold concentrations. In the 2006 EKI investigative report, arsenic in groundwater is interpreted as migrating from the Sherwin Williams upgradient and to the east. The Sherwin Williams site recently underwent a substantial site remediation effort and received regulatory closure from the Department of Toxic Substances Control (DTSC) in 2013.

Concentrations of contaminants detected by EKI during their 2006 site assessment exceeded regulatory endpoints for unrestricted reuse. EKI reviewed potentially viable remedial measures in their 2008 Analysis of Brownfield Cleanup Alternatives (ABCA). Based on this review, EKI recommended mitigation of site soils shown to contain elevated concentrations of contamination by excavation and off-site disposal.

Based on the analysis documented in the ABCA, in March 2008 EKI published their Site Cleanup Plan (SCP) describing excavation and confirmation sampling methodology to be employed during the proposed soil removal, transportation and disposal project. The SCP was approved by the City regulator in March 2008.

The excavation and off-site disposal of contaminated soil and confirmation sampling and analysis was documented by EKI in their January 2009 Remedial Action Completion Report. As described in this report, several excavation sidewall confirmation samples documented the presence of contamination in areas where the enlargement of the excavation was prohibited due to proximity to the UPRR main line or neighboring structures. The largest percentage of the parcel received remedial attention, with residual contamination documented as present only in places around the edge of the excavated area. Approximately 16,000 tons of soil was excavated during the remedial action. The excavation was brought back to grade with clean fill. As residual contamination is present around the edges of the previously excavated area the City regulator has recommended the completion of a Deed Restriction specifying the property will not be redeveloped for a sensitive purpose without further study and/or focused remedial action.

Recent technical project documents are on file (hard and electronic copy) in City offices. Older documents (pre-2008) are stored in the City archives. Reports and agency correspondence will be accessible in the DTSC Envirostor internet-based information repository once uploaded (upon final agency cleanup concurrence). A list of project technical documents is presented below:

- EKI, 2006a. Phase I Environmental Site Assessment ("Phase I"), UPRR Parcel D, Emeryville, California, Erler & Kalinowski, Inc., 2 October 2006.

- EKI, 2006b. Soil and Groundwater Investigation Data Report (“Phase II”), UPRR Parcel D, Emeryville, California, Erler & Kalinowski, Inc., 14 November 2006.
- EKI, 2007. Analysis of Brownfields Cleanup Alternatives, UPRR Parcel D, Emeryville, California, Erler & Kalinowski, Inc., 27 November 2007.
- EKI, 2008. Site Cleanup Plan, UPRR Parcel D, Emeryville, California, Erler & Kalinowski, Inc., 18 March 2008.
- Site Manager, 2008. Final Conditional Approval of Site Cleanup Plan, Union Pacific Railroad Parcel D, Sherwin Street, Emeryville, Susan G. Colman, Site Manager for City of Emeryville, 18 March 2008.

Potential for TOD and Other Planning Objectives

This parcel, now designated Park/Open Space in the General Plan, was acquired by the Agency from Union Pacific Railroad in 2006 for future park use, and was rezoned to O-R Outdoor Recreation [i.e. open space] in August 2002. The Park Avenue District Plan, adopted by the City Council in August 2006, identifies it as a potential open space site and includes an illustrative concept drawing of a park at this location. It is also a potential route for the Emeryville Greenway and the Bay Trail in the north part of the Park Avenue District, connecting Horton Landing Park in the north to Park Avenue in the south. Farther south, it would connect to the Bay Trail on Mandela Parkway in West Oakland via Halleck, Beach, Wood, and 32nd Streets. It is adjacent to the former Sherwin Williams paint factory site to the east, which is now proposed for a mixed-use residential and commercial development.

The Parks and Recreation Strategic Plan, adopted by the City Council on January 18, 2011, includes this parcel in the section on the Emeryville Greenway with the following recommendations: (1) “Extend the southern-most segment of the Emeryville Greenway and connect Horton Landing Park to Park Avenue, through the former Sherwin Williams site”; (2) “The open spaces in this area should support basic activities for nearby residents and maximize visibility within surrounding development. This area has great potential to attract families and the park spaces along the greenway should be programmed accordingly”; and (3) “The greenway should connect park nodes within and around the Sherwin Williams site, including Horton Landing Park and the Park Avenue streetscape improvements.”

Development of Greenway @ Parcel D as a park would further these planning objectives.

History of Previous Development Proposals and Purpose for Which Property was Acquired

The 2005-2009 Implementation Plan identified the Park Avenue Park – Land (Railroad) Acquisition project involving the acquisition of a 2 acre parcel located adjacent to the railroad tracks near Sherwin-Williams for use as open space for residents and employees in the Park Avenue area as a means to alleviate Blight Condition 10: Inadequate Public Facilities (Attachment 7: Page 31). The Greenway @ Parcel D site was acquired in December 2006 to fulfill this objective and is identified to be developed pursuant to the Park Avenue District Plan and the City of Emeryville's 2007-2011 Capital Improvements Program. Currently, the City is processing a development application for the adjacent 8.55 acre parcel owned by the Sherwin-Williams Company. If the Greenway @ Parcel D parcel can be transferred to the City in a timely fashion, it is anticipated that the park could be designed and constructed by the developer in conjunction with their project or exchanged for an equal amount of property on their site dedicated and designed for park/open space purposes. The proposed Sherwin-Williams site plan with the Greenway @ Parcel D site at its western edge (top of figure) is shown in Figure 3 below.

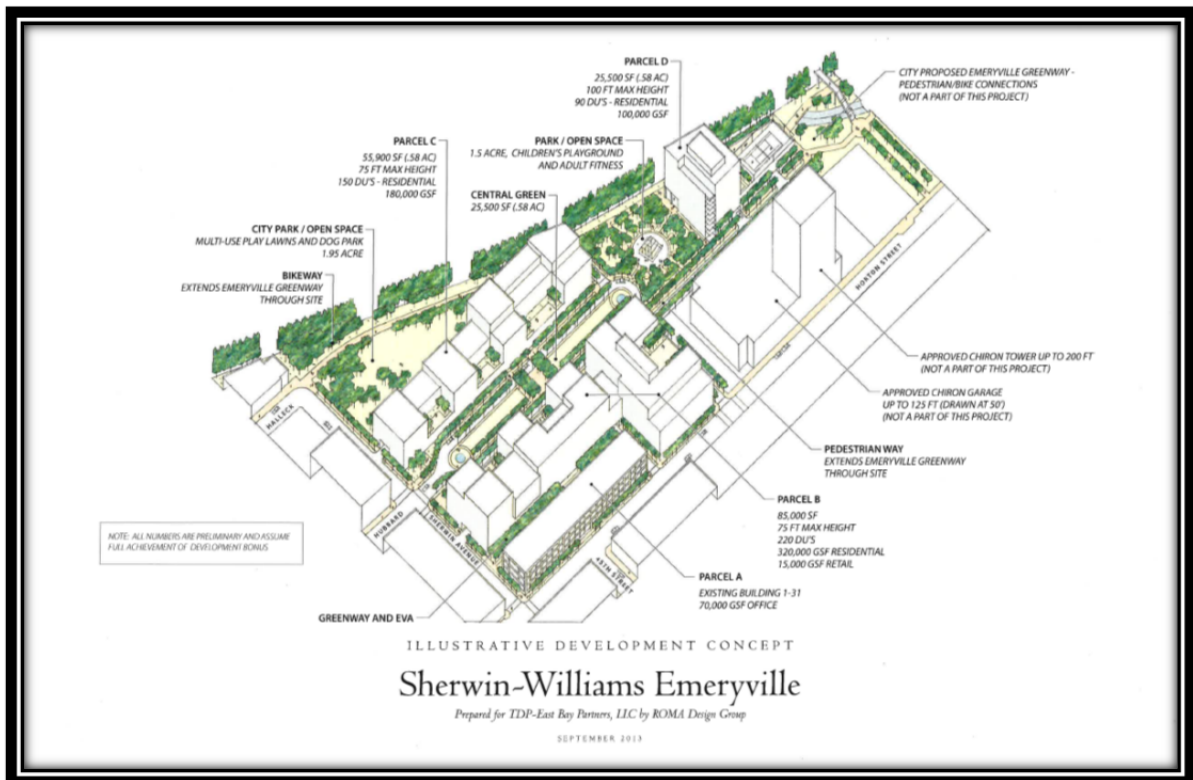
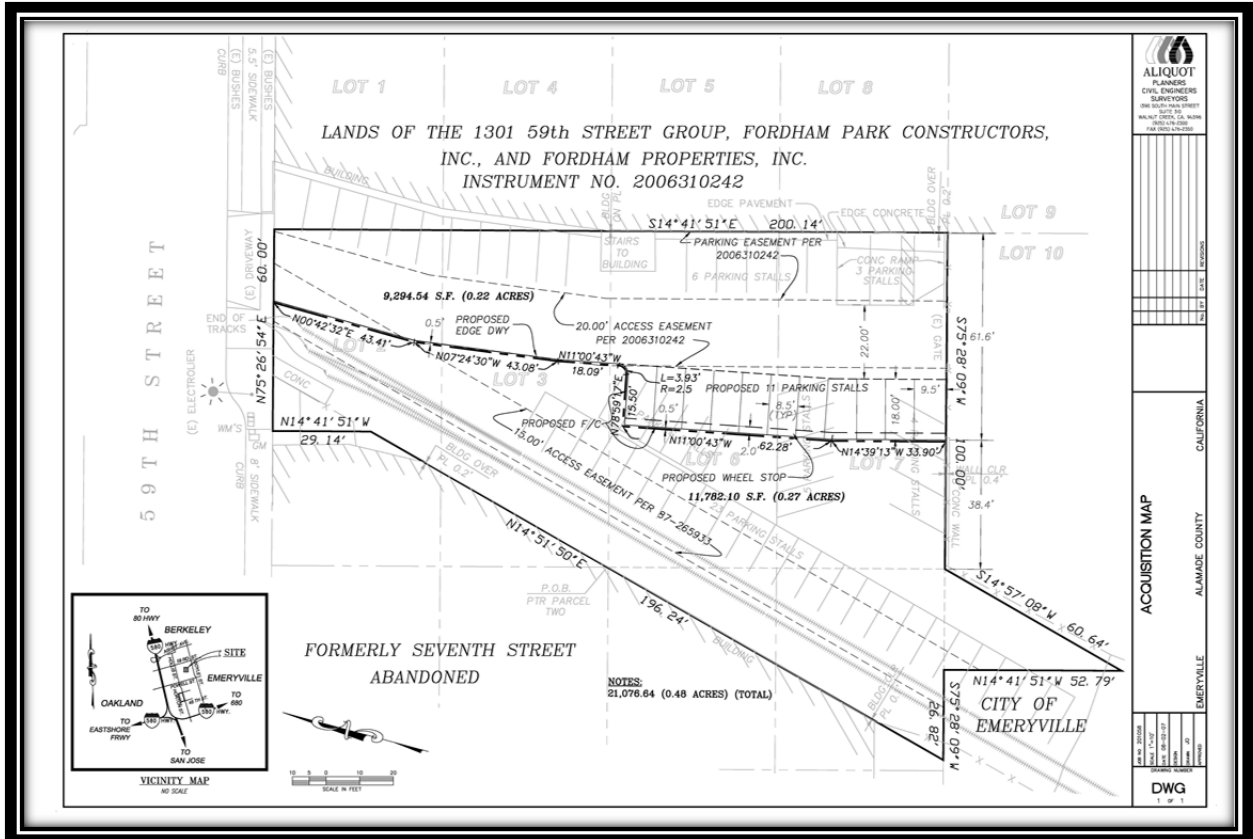


Figure 1 - Thompson and Dorfman Site Plan - Sherwin Williams Site and Parcel D

The intent of the Successor Agency is to transfer this parcel to the City for continued governmental use.

Retention of Property for Governmental Use 2. Greenway @ 59th Street



Date of Acquisition/Possession: June 3, 2014 (Final Order in Eminent Domain)/August 26, 2010 (Date of Order for Prejudgment Possession In Eminent Domain)

Value of Property at Acquisition: \$1,600,000 – Inclusive of Fair Market Value at Date of Acquisition plus any and all damages (e.g. pre condemnation, severance) and loss of business goodwill

Estimated Current Value: \$0 based on market and current zoning

Purpose for Which Property Was Acquired: Emeryville Greenway (Park)

Redevelopment Project Area: 1976 Emeryville Redevelopment Project Area

Parcel Description

Size: 11,782 square feet

APN: 049-1329-005-2; 049-1329-005-3; 049-1329-005-4; 049-1329-005-5

(portion)

The 59th Street Greenway property is located in central Emeryville north of Powell Street and east of Hollis. The property is elongated in a north-south direction along the trace of the Union Pacific Railroad (UPRR) industrial rail spur that historically served businesses in the eastern portion of the City. The northern property line is at 59th Street, the southern at a completed portion of the Greenway approximately 225 feet south of 59th. The property is irregularly shaped, varying in width from approximately 25 feet in the north to about 50 feet in the south.

The site was originally part of a historic rail line (the 9th Street Drill Track alignment) serving industrial businesses from the main line to the Berkeley border. Following the conversion of the last industrial customer to a non-industrial use, the spur ceased operation and the tracks were removed in the early 2000s. Since that time, portions of the spur have been converted to a linear park and pedestrian path called the “Emeryville Greenway”, which when completed will extend across Emeryville from its northern to southern border. The 59th Street parcel is one of the remaining segments required to complete the project.

The Redevelopment Agency initiated acquisition of this property through an eminent domain action and obtained the Order for Prejudgment Possession on August 26, 2010. At that time, the Redevelopment Agency was obligated to deposit with the State Condemnation Trust Fund the amount of probable just compensation for the property as if clean, determined to be \$509,512. Since the property being acquired was contaminated with hazardous materials, the amount deposited with the State in 2010 reflected its value in its contaminated state, or \$305,707. Pursuant to the terms of an Environmental Remediation Implementation Agreement between the Redevelopment Agency and the property owner, described below, the site remediation was completed by the property owner. A Final Order in Eminent Domain was filed June 3, 2014 and accordingly the Successor Agency acquired fee title at that time. The final judgment awarded the property owner \$1,600,000 which was paid, less the \$305,707 previously deposited, with non-Redevelopment Property Tax Trust Funds pursuant to line item 78 of the Recognized Obligation Payment Schedule 13-14B.

The 2010-2014 Implementation Plan identified the Greenway @ 59th Street project involving the extension of the Emeryville Greenway as a means to alleviate Blight Condition 10: Inadequate Public Facilities (Attachment 3: Page 32). Accordingly the acquisition of this property fulfills the redevelopment objective of the aforementioned Blight Condition to improve inadequate public facilities.

Current Zoning

General Plan Land Use Classification: Park/Open Space, defined as “Parks, recreation facilities, and greenways for the general community, and open space for habitat conservation.”

General Plan Parks, Open Space and Public Services Designation: Existing or Approved Park and Greenway.

Zoning Base District: PO Park/Open Space. “The purpose of the PO zone is to implement the provisions of the General Plan applicable to the Park/Open Space land use classification.”

Zoning Overlay District: NH North Hollis Overlay. “The purpose of the NH overlay zone is to implement the North Hollis Area Urban Design Program, including its Design Guidelines, adopted by Resolution No. 02-052 on April 16, 2002.”

History of Environmental Contamination

The Agency commissioned environmental testing in advance of property acquisition. Based on the results of testing, a site cleanup plan (termed a Removal Action Workplan) was prepared in 2011 and implemented in 2013. The property has been restored to a condition suitable for incorporation into the Greenway.

Property uses were evaluated in association with due diligence conducted in support of acquisition planning. Results of the historic review showed the rail line to be present as early as 1915 with the property continuing to be utilized for this purpose until the tracks were removed in the early 2000s. The review showed the property to have been occupied exclusively by rail uses from the time of its first development through track removal. The property has been used as a parking lot in the years since.

As with other segments of the Emeryville Greenway along the former rail line, the property is impacted by the presence of hazardous materials. On August 26, 2010, the Agency obtained an Order for Prejudgment Possession of the property. The Agency needed to obtain prejudgment possession for multiple reasons, including the need to conduct further testing activities in order to begin remediating the property. Shortly after taking possession, on September 1, 2010 and September 8, 2010, the Agency provided notice, pursuant to Health and Safety Code Section 33459.1(b)(2) of the Polanco Redevelopment Act, to several potentially responsible parties (“PRP”), that the Redevelopment Agency has determined that one or more “releases” of “hazardous substances” has occurred at the property, and as “responsible parties”, they were being notified that they had sixty (60) days to prepare a Remedial Action Plan (“RAP”) and a schedule for implementation to address the “release” of “hazardous substances”

acceptable to the Agency (the “Polanco Act Notice”). The Polanco Act Notice also indicated that the “responsible parties” would have an additional sixty (60) days beyond the first sixty (60) day period to reach an agreement with the Redevelopment Agency to remedy or remove, on a schedule acceptable to the Agency, the release pursuant to a RAP that the Redevelopment Agency finds to be consistent to the maximum extent possible with the priorities, guidelines, criteria and regulations in the National Contingency Plan (“NCP”). The PRPs that were provided the Polanco Act Notice included: HSP, a California limited partnership (“HSP”); Pennzoil-Quaker State Company (“Pennzoil”); Union Pacific Railroad Company, as Successor-In-Interest to Southern Pacific Railroad Company and Southern Pacific Transportation Company (“Union Pacific”); A.M. Castle & Co.; Standard Oil Company of California; and Chevron U.S.A., Inc..

On November 12, 2010, the Redevelopment Agency received a Draft Remedial Action Plan (Draft RAP) from Union Pacific and a Draft Remedial Action Workplan (Draft RAW) from HSP. The Redevelopment Agency also received a letter from the firm of Caldwell Leslie on behalf of Pennzoil indicating that they did not believe they were a proper PRP and thus would not be providing a remedial plan. The Redevelopment Agency did not receive any communication from any of the other PRPs. Thereafter, the Redevelopment Agency and its environmental consultant met with both Union Pacific and HSP to discuss the concerns of the Redevelopment Agency with respect to the draft plans they submitted. At the conclusion of both meetings, Union Pacific and HSP each indicated that they would resubmit a plan that addressed the concerns of the Redevelopment Agency. On December 14, 2010 the Redevelopment Agency received a Revised Draft RAW from HSP’s environmental consultant, Sequoia Environmental and Engineering Corporation, seeking to address the concerns of the Redevelopment Agency. Union Pacific subsequently opted not to provide a revised Draft RAP and instead concentrated their efforts in reaching a financial settlement with HSP for the costs to be incurred by HSP implementing the Revised Draft RAW.

On April 5, 2011, the Redevelopment Agency adopted Resolution 22-11 determining that the response provided by Union Pacific to the Redevelopment Agency’s Polanco Act Notice of September 1, 2010 and September 8, 2010 was inadequate and accepting the Revised Draft RAW dated December 13, 2010 presented by HSP and approving and authorizing the Executive Director to enter into and execute an Environmental Remediation Implementation Agreement regarding the remediation of the property with HSP.

In accordance with the Environmental Remediation Implementation Agreement, HSP’s RAW was approved by the regulatory agencies and HSP was issued a grading permit by the City of Emeryville to begin implementation of the cleanup on April 5, 2012. HSP completed the on site cleanup action on March 13, 2013 and obtained approval of a RAW Completion Report by the regulatory agencies on March 18, 2013.

Technical project documents are on file (hard and electronic copy) in City offices. Reports and agency correspondence will be accessible in the DTSC Envirostor internet-based information repository once uploaded (upon final agency cleanup concurrence). A list of project technical documents is presented below:

- 2008. Phase I/II Investigation Targeted Brownfields Assessment, 1301 59th Street Project, Emeryville, California, Weston Solutions, Inc., October 2008.
- 2008. Sampling and Analysis Plan, 1301 59th Street Project, Emeryville, California, Erler & Kalinowski Inc., February 2010.
- 2011. Removal Action Workplan, 1301 59th Street Project, Emeryville, California, Sequoia Environmental, Inc., October 2011.
- 2013. Completion Report, 1301 59th Street Project, Emeryville, California, Sequoia Environmental, Inc., March 2013.

Potential for TOD and Other Planning Objectives

This parcel is a component of the route of the Emeryville Greenway on the northern half of the block bounded by Hollis, Doyle, Powell and 59th Streets, as indicated in the North Hollis Area Urban Design Program adopted by the City Council in April 2002. It was rezoned to O-R Outdoor Recreation [i.e. open space] in August 2002. This is further reflected in the current Emeryville General Plan, adopted in October 2009, which calls for a north-south Greenway along the former “Ninth Street Drill Track”; this parcel is a critical link in the north-south Greenway.

The Parks and Recreation Strategic Plan, adopted by the City Council on January 18, 2011, describes the Emeryville Greenway as follows: “This major multi-purpose pathway follows an abandoned rail route for much of its north-south transect of the community. The Emeryville Greenway has significant landscaping and park-like nodes and is connected to other parks and facilities all along route. In several segments this greenway is completely off-street, while other segments are made up of wide sidewalks and shared streets.” Corridor Recommendations include: (1) “The primary purpose of the greenway should be to support active transportation such as Walking, Jogging and Bicycling, with additional facilities interspersed but providing minimal interference with the primary pathway use;” and (1) “The entire length of the Greenway should support Recreation with Dogs, but this activity should be on-leash only at all times. Landscaping should be designed to recognize the high use of the greenway by residents with dogs.”

This is the only missing piece of the Emeryville Greenway north of Powell Street; its development as part of the Greenway will complete the Greenway to the Berkeley border.

History of Previous Development Proposals And Purpose for Which Property was Acquired

As discussed previously, in 2003 the City of Emeryville acquired the majority of the Emeryville Greenway which traversed the alignment of the historic Ninth Street Drill Track from Union Pacific. However one parcel had previously been transferred by Union Pacific's predecessor-in-interest, Southern Pacific, to HSP, a California limited partnership (HSP), while reserving an easement for railroad purposes. Thus, when the City acquired the property from Union Pacific in 2003, there was a break in this continuous linear park-pedestrian/bicycle path. This piece of property owned by HSP is known as the Greenway @ 59th Street parcel. Therefore, the Greenway @ 59th Street parcel was acquired in order to complete the last segment of the Emeryville Greenway. The Greenway @ 59th Street project is described in the 2010-2014 Implementation Plan to alleviate Blight Condition 10: Inadequate Public Facilities (Attachment 3: Page 32), and was previously included in the 2005 – 2009 Implementation Plan as part of the Greenway: Stanford Avenue to Berkeley City Limits project in order to alleviate Blight Condition 2: Inadequate Street Systems (Attachment 7: Page 16).

On June 1, 2009 the Redevelopment Agency and Emery Station Triangle, LLC and Emery Station Triangle II, LLC entered into an Owner Participation Agreement (OPA)(Attachment 9) to provide for the redevelopment of property located at the northeast corner of Hollis and Powell Streets in Emeryville, which property is directly adjacent to the HSP property. Pursuant to the terms of the OPA, the Redevelopment Agency was obligated to consider the acquisition of the HSP property, and if it did exercise its discretion to acquire the property, once it did so acquire the site and either remediated the site itself or caused the site to be remediated, the developer was to design and construct the portion of the Greenway on the 59th Street parcel. As provided by the OPA, once the Redevelopment Agency exercised its discretion to proceed with the acquisition in eminent domain, it was obligated to Emery Station Triangle II, LLC, to carry through with the acquisition. The Redevelopment Agency initiated the process of acquiring the property through eminent domain and obtained an order for prejudgment possession on August 26, 2010. As discussed above, the property owner conducted the site cleanup and obtained completion on March 18, 2013. The developer designed a concept plan for the site and in accordance with the OPA, on April 1, 2013, the Successor Agency provided the developer with a Right of Entry Permit (Attachment 10) to construct the Greenway improvements. A Final Order in Eminent Domain was filed June 3, 2014 and thus fee title is now vested in the Successor Agency. Further, the Greenway improvements were completed by Emery Station Triangle II and accepted by the Successor Agency on April 7, 2015, pursuant to Resolution No. SA12-15.

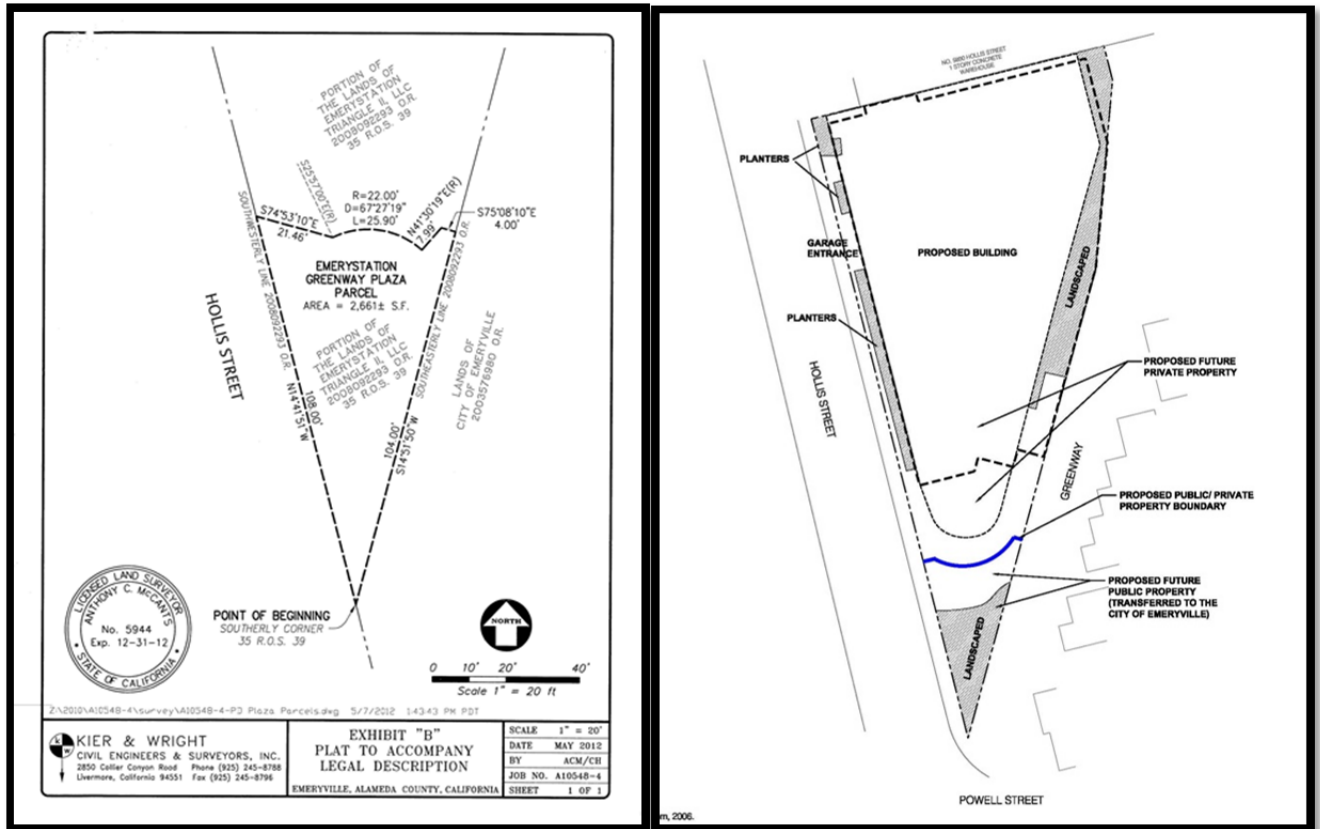
As provided in Section 22 of the Public Improvements Agreement (Attachment 7 to the OPA (Attachment 9)), title to and ownership of the Public Improvements, as defined therein, once accepted by the City, shall vest absolutely with the City. As defined in the OPA and Public Improvements Agreement, the "Public Improvements" include the Emeryville Greenway improvements currently being undertaken by the developer pursuant to the Right of Entry Permit. Accordingly, once the improvements are constructed and accepted by the City, title to and ownership shall vest with the City. Accordingly, in order to comply with the terms of the OPA, the Successor Agency is also obligated to convey the Greenway @ 59th Street parcel to the City. It should be noted that this obligation also applies to the Emery Station Greenway Plaza parcel discussed immediately below.



Figure 2 - Wareham Development 59th Street Greenway Concept Plan

The intent of the Successor Agency is to transfer this parcel to the City for continued governmental use.

Retention of Property for Governmental Use 3. EmeryStation Greenway Plaza



Date of Acquisition: Acceptance of Irrevocable Offer of Dedication and Reservation of Easements recorded 4/23/13
Value of Property at Acquisition: \$735,000
Estimated Current Value: \$0 based on market and current zoning
Purpose for Which Property was Acquired: Emeryville Greenway
Redevelopment Project Area: 1976 Emeryville Redevelopment Project Area

Parcel Description
 Size: 3,925 square feet
 APN: 49-1328-3-2

The Emeryville Station Greenway Plaza is located at northeastern corner of the intersection of Powell and Hollis Streets in central Emeryville. The Greenway Plaza parcel is bordered to the east by the Emeryville Greenway and the Elevation 22 residential development, to the north by a new office building constructed by Emery Station Triangle II, LLC pursuant to the OPA (Attachment 9), and to the west and south by Hollis and Powell Streets, respectively.

The Greenway Plaza parcel was originally part of a larger parcel that was acquired by Emery Station Triangle II, LLC for redevelopment as a commercial office and research and development building. Pursuant to the terms of the June 1, 2009, Owner Participation Agreement (OPA) between the Redevelopment Agency and Emery Station Triangle, LLC, and Emery Station Triangle II, LLC (Attachment 9), an Irrevocable Offer of Dedication and Reservation of Easements in favor of the City of Emeryville as Successor Agency to the Emeryville Redevelopment Agency relative to the Emery Station Greenway Plaza parcel was recorded on July 31, 2012. Thereafter, also in accordance with terms of the OPA, on April 23, 2013, the Successor Agency accepted and recorded an Acceptance Of Irrevocable Offer Of Dedication And Confirmation Of Reservation Of Easements vesting title in the Successor Agency.

Current Zoning

General Plan Land Use Classifications:

- Park/Open Space*, defined as “Parks, recreation facilities, and greenways for the general community, and open space for habitat conservation;” and
- Major Transit Hub, defined as ¼-mile radius (10 minute walk) from “transfer points where high volume transit lines intersect. These are located in the Amtrak station with access from both sides of the rail line, and at 40th Street and San Pablo Avenue”

Zoning District: PO Park/Open Space¹. “The purpose of the PO zone is to implement the provisions of the General Plan applicable to the Park/Open Space land use classification.”

Zoning Overlay District: NH North Hollis Overlay. “The purpose of the NH overlay zone is to implement the North Hollis Area Urban Design Program, including its Design Guidelines, adopted by Resolution No. 02-052 on April 16, 2002.”

¹ While the General Plan designates most of the triangular parcel on the east side of Hollis Street north of Powell Street as Office/Technology, it designates the southern tip of this parcel, on which this plaza is situated, as Park/Open Space. The Zoning Map does not make this distinction, but designates the entire parcel as OT Office/Technology. Section 9-1.105 of the Planning Regulations (part of the Emeryville Municipal Code) stipulates that “These Regulations are intended to be consistent with the General Plan. Should any provisions of these Regulations be determined inconsistent with the General Plan, the General Plan shall prevail. The Director of Planning and Building shall have the authority to determine the extent of any such inconsistency and issue a decision to resolve the matter.” The Director has determined that it is the intent of the General Plan that this plaza area should be designated Park/Open Space. Therefore, the appropriate Zoning Base District for the site is PO Park/Open Space, not OT Office/Technology.

Zoning Overlay District: TH Transit Hub Overlay. “The purpose of the TH overlay zone is to implement the provisions of the General Plan applicable to Major Transit Hubs.”

History of Environmental Contamination

Historic property uses were researched in association with acquisition-related due diligence and subsequent post-acquisition environmental mitigation. Technical reports indicate the property was first developed in the early 1900s for a light industrial use, with property configuration and use apparently consistent through the time the land was acquired by the Alders family in 1977. At the time of acquisition by Alders, a single-story office building was located in the southern portion of the property (the triangular tip formed by the intersection of Hollis Street with the UPRR rail line adjoining to the east); the balance of the property was an equipment yard. After their acquisition, Alders operated the property as a forklift repair and servicing business.

Properties adjacent to and upgradient (east) of the property were historically occupied by commercial/industrial uses. A former UPRR rail line servicing industrial businesses in central and northern Emeryville is immediately adjacent to the property (the rail line was redeveloped in the 2000s as the Emeryville Greenway). The property east of the rail line is known as the former Balaam Brothers site (now the Pulte Elevation 22 residential development). The Balaam Brothers property was occupied for many years by fuel storage and distribution facility, a “bulk plant.” The Balaam Brothers site was remediated prior to redevelopment for its current residential purpose, though residual hydrocarbon contamination was left in place.

The environmental condition of the Alders property was evaluated between 2008 and 2010 in association with its acquisition and redevelopment by Wareham Development. Results of the evaluation showed the presence of petroleum hydrocarbon contamination in soil and groundwater deemed associated with underground fuel storage tanks (UST) operated by historic property tenants and operations on properties upgradient to the east (contamination migrating beneath the property from the upgradient was predominantly restricted to groundwater occurring at depths of approximately 10 feet below surface grade).

Contamination associated with operations on-property (UST and surface spills) were found to be mostly present in the yard portion of the former Alders property. Assessment of the southern portion of the property, including the EmeryStation Greenway Plaza parcel, did not evidence substantial shallow contamination. Groundwater beneath the Greenway Plaza parcel was, however, shown to contain low concentrations of petroleum hydrocarbons presumably migrating from the former Balaam Brothers property to the east. No risk was shown to be posed to site users by this residual groundwater contamination.

Use-related environmental contamination on the Greenway Plaza parcel was mitigated by excavation and dewatering during construction of the office building to the north. The undertaking was certified as complete by the Alameda County Department of Environmental Health in November 2011.

Technical documents comprehensively describing activities and the data upon which they were based are available on the Alameda County internet-based information repository and on the RWQCB-maintained Geotracker. Recent technical project documents are also on file (hard and electronic copy) in City offices. A list of significant project technical documents is presented below:

- Treadwell & Rollo 2008. Phase II Environmental Site Assessment – Alders Property, Treadwell & Rollo, Inc., March 24, 2008.
- Treadwell & Rollo, 2010. Soil and Groundwater Report for Area of Former USTs.
- Treadwell & Rollo, Inc., January 25, 2010.

Potential for TOD and Other Planning Objectives

The EmeryStation Greenway was substantially completed in September 2012, and includes an expansion of the Greenway and plaza constructed in 2005 as part of Pulte Homes' adjacent Elevation 22 project. It fulfills the planning objectives of the North Hollis Urban Design Program, the Parks and Recreation Strategic Plan, and the General Plan.

This plaza is part of the Emeryville Greenway on the southern half of the block bounded by Hollis, Doyle, Powell and 59th Streets, as indicated in the North Hollis Area Urban Design Program adopted by the City Council in April 2002. This is further reflected in the current Emeryville General Plan, adopted in October 2009, which calls for a north-south Greenway along the former "Ninth Street Drill Track", and an east-west Greenway along the alignment of Temescal Creek; this plaza is a critical node in the north-south Greenway.

The Parks and Recreation Strategic Plan, adopted by the City Council on January 18, 2011, describes the Emeryville Greenway as follows: "This major multi-purpose pathway follows an abandoned rail route for much of its north-south transect of the community. The Emeryville Greenway has significant landscaping and park-like nodes and is connected to other parks and facilities all along route. In several segments this greenway is completely off-street, while other segments are made up of wide sidewalks and shared streets." Corridor Recommendations include: (1) "The primary purpose of the greenway should be to support active transportation such as Walking, Jogging and Bicycling, with additional facilities interspersed but providing minimal interference with the

primary pathway use;” and (1) “The entire length of the Greenway should support Recreation with Dogs, but this activity should be on-leash only at all times. Landscaping should be designed to recognize the high use of the greenway by residents with dogs.”

History of Previous Development Proposals and Purpose for Which Property Was Acquired

The Emery Station Greenway Plaza parcel was being acquired in order to enhance and expand the Emeryville Greenway at the northeast intersection of Powell and Hollis Streets. The Emery Station Greenway Plaza is included in the 2005-2009 and 2010-2014 Implementation as part of the Greenway: Stanford Avenue to Berkeley City Limits project in order to alleviate Blight Condition 2: Inadequate Street Systems (Attachment 7: Page 16 and Attachment 3: Page 17 respectively).

On June 1, 2009 the Redevelopment Agency and Emery Station Triangle, LLC and Emery Station Triangle II, LLC entered into an Owner Participation Agreement (OPA)(Attachment 9) to provide for the redevelopment of property located at the northeast corner of Hollis and Powell Streets in Emeryville. The OPA provided for the development of two mixed-use research and development office buildings and construction of improvements to the adjoining spur parcels as an extension of the Emeryville Greenway on the property. The OPA also provided for remediation, development, and subsequent transfer to the Redevelopment Agency of the southernmost portion of the site to be incorporated into the Emeryville Greenway.

As provided in Section 22 of the Public Improvements Agreement (Attachment 7 to the OPA (Attachment 9)), title to and ownership of the Public Improvements, as defined therein, once accepted by the City, shall vest absolutely with the City. As defined in the OPA and Public Improvements Agreement, the “Public Improvements” include the Emery Station Greenway Plaza completed by the developer and accepted by the Successor Agency on April 23, 2013. Accordingly, since the improvements have been constructed and accepted by the City, title to and ownership shall vest with the City. Thus, in order to comply with the terms of the OPA, the Successor Agency is also obligated to convey the Emery Station Greenway Plaza parcel to the City.

The design incorporates significant improvements including a fountain, mounded landscaping, and a seating wall.

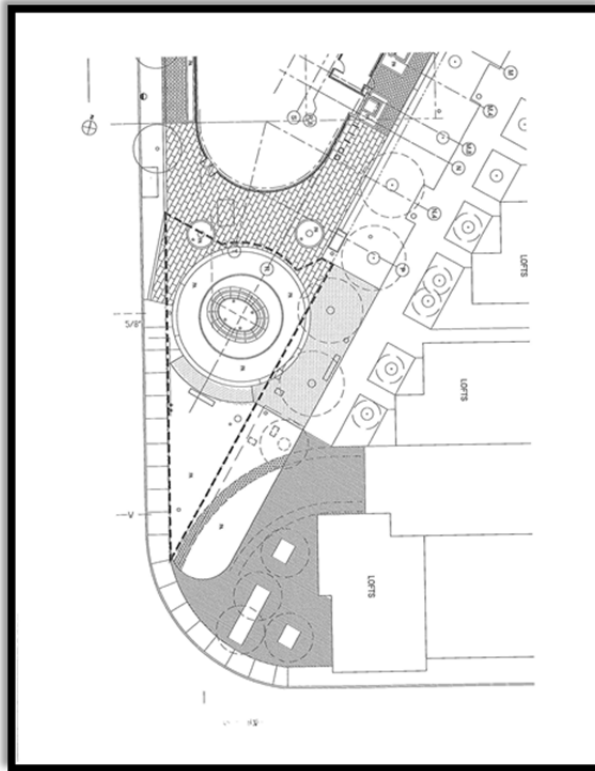
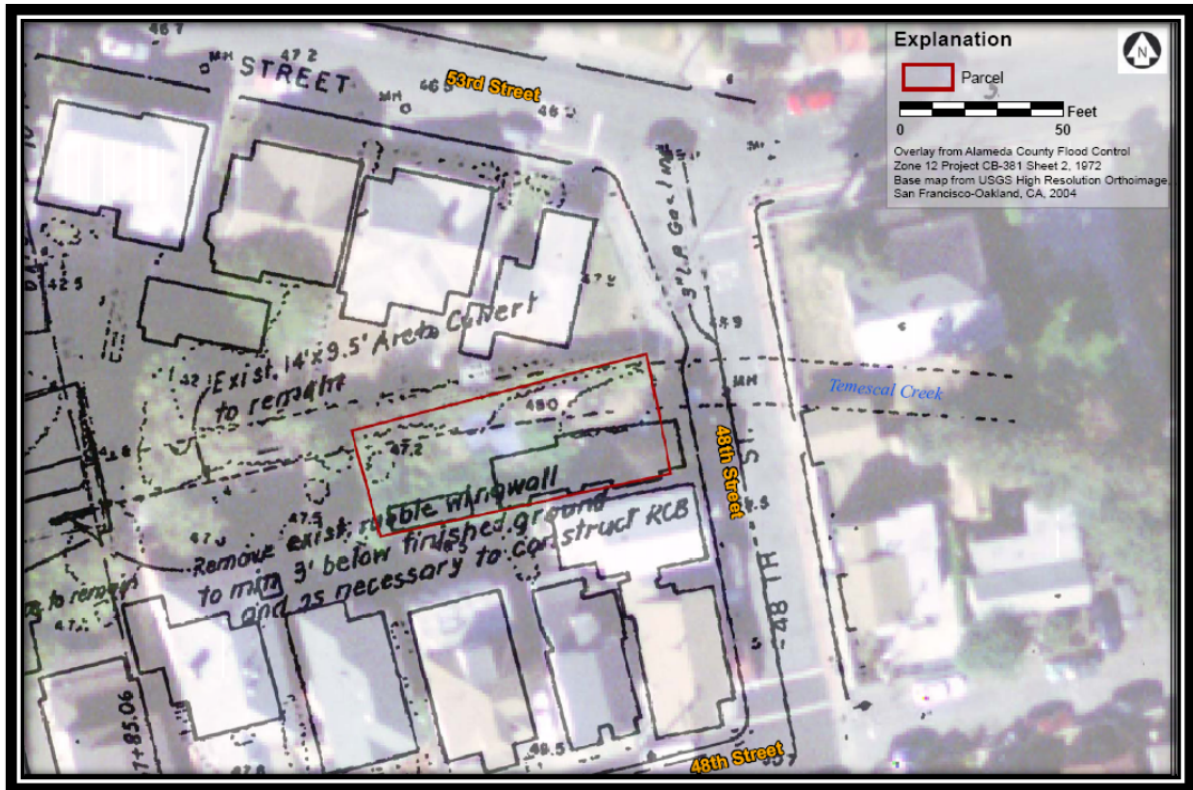


Figure 3 - Site Plan Emery Station Greenway Plaza

The intent of the Successor Agency is to transfer this parcel to the City for continued governmental use.

Retention of Property for Governmental Use 4. 48th Street Community Garden



Date of Acquisition: February 2008

Value of Property at Acquisition: \$261,757

Estimated Current Value: \$0 based on market and current zoning

Purpose for Which Property was Acquired: Community Garden

Redevelopment Project Area: 1976 Emeryville Redevelopment Project Area

Parcel Description

Size: 5,208 square feet

Address: 1042 48th Street

APN: 049-1176-001-01

The 48th Street Community Garden property is located in a residential neighborhood in northeastern Emeryville at the Emeryville-Oakland City line. The parcel is equidistant (approximately one-quarter mile) from San Pablo Avenue to the west and Adeline Street to the east, both major local

thoroughfares. The property is adjoined on all sides by residential parcels. The Agency acquired the site in 2008 for future redevelopment as a community garden.

Current Zoning

General Plan Land Use Classification: Park/Open Space, defined as “Parks, recreation facilities, and greenways for the general community, and open space for habitat conservation.”

General Plan Parks, Open Space and Public Services Designation: Community Garden. Description of Small Open Spaces: “Public pocket parks, plazas, tot lots, community gardens and other small open spaces throughout the city will improve residents’ access to open space nearer their homes.”

Zoning District: PO Park/Open Space. “The purpose of the PO zone is to implement the provisions of the General Plan applicable to the Park/Open Space land use classification.”

History of Environmental Contamination

From its first development in the early 1900s through structural demolition in the 1970s the parcel was occupied by a residential dwelling. Historic documents and interviews with local residents indicate that the property was used by neighbors for gardening in the years following structural demolition.

After acquisition, the City conducted a Phase I Environmental Site Assessment followed by physical testing to evaluate the potential presence of use-related environmental contamination. The Phase I Environmental Site Assessment (ESA, Weston 2008) identified lead as the only contaminant of potential concern (lead was a common component of exterior paint for residential structures until its discontinuation as a paint additive in the 1970s). Utilizing funding made available by the EPA in a Targeted Brownfield Assessment Grant (TBA), the City collected near-surface soil samples and analysis for concentrations of lead. Results of testing showed lead exceeding regulatory guidance concentrations in locations about the property. Concentrations were highest in samples collected in the vicinity of the former residential structure. A second episode of site testing was completed by Weiss and Associates (Weiss), the contractor retained to design and oversee site mitigation activities (described below). Weiss collected samples across the property at varying depths in order to confirm the preliminary testing data, develop an understanding of the depth to which contamination in soil occurred, and to collect information required for the acceptance of excavated soil at the appropriate off-site disposal facility. The results of analysis confirmed the presence of the most elevated lead-bearing soil as in the vicinity of the former residential structure and showed that the impacted material was generally present at depths of five feet below grade or less.

To ensure the health and safety of parcel users, the City obtained EPA funding for the removal of lead-containing soil. The City's consultant, Weiss, prepared a Sampling and Analysis Plan and a Site Cleanup Plan (SCP) in accordance with EPA grant requirements. The documents were reviewed by the City of Emeryville environmental regulator, acting in cooperation with the San Francisco Bay Regional Water Quality Control Board (RWQCB) and the California Department of Toxic Substances Control (DTSC). The approved SCP called for the excavation of shallow soil from four cells with depths ranging from 3 to 5 feet below ground surface. Confirmation samples were collected from the base of each cell and analyzed for concentrations of lead. Results of analysis demonstrated the attainment of mitigation objectives. A completion report was prepared, submitted to the City regulator and the RWQCB/DTSC, with final agency approval granted in March 2013.

The most recent technical project documents are on file (hard and electronic copy) in City offices. Recent reports and agency correspondence may also be accessed in the DTSC Envirostor internet-based information repository. Older (pre-2009) reports are in City offices or archives. The recent documents contain a summary of the iterative assessment data presented in the older reports and present a comprehensive account of site evaluation, remedial alternative comparison, and cleanup plan development. A list of relevant technical documents is presented below:

- Weston, 2008. Phase I Environmental Site Assessment, 1042 48th Street, Emeryville, California, prepared for U.S. Environmental Protection Agency, Region 9, USACE Contract Number W912P17-05-F-0049, prepared by Weston Solutions, Inc., February 2008.
- Weiss, 2012. Final Site Cleanup Plan, Weiss and Associates, July 25, 2002.

Potential for TOD and Other Planning Objectives

In the Emeryville General Plan, this site is identified as "Park/Open Space" on the Land Use map, and as a "Community Garden" along the Temescal Creek Greenway on the Parks, Open Space and Public Services map. General Plan Policy PP-P-3 states that "New smaller open spaces—including public plazas and places, community gardens, and pocket parks—will provide local focus points and diversify the built environment. These should be developed through the identification of underutilized and strategically located parcels, and the redevelopment of larger sites." The Environmental Health – Food section of the General Plan Sustainability Element states: "The City can prioritize sustainable food purchases as a municipality, as well as encourage residents and business to do the same: through providing space for community gardens, fruit-bearing

trees, and farmers' markets, and incentivizing relationships with community supported agriculture groups which deliver local fresh produce."

The site is identified as a Community Garden Site in the Parks and Recreation Strategic Plan, which was adopted by the City Council on January 18, 2011. This plan notes: "Community gardening has become a popular activity within the park system in Emeryville. Existing garden sites have established waiting lists for plots and new sites are still being added. This activity can be supported as a feature within a larger park or as stand-alone facilities such as the three sites profiled here. The recommended site program is essentially the same for each site, with small exceptions noted where necessary." The plan includes the following site recommendations for the 48th Street Community Garden: (1) "Develop garden plots at this site to increase supply for use by Emeryville residents"; and (2) "Extend the Temescal Creek Greenway either through or around this site to connect toward San Pablo Avenue."

Development of this site as a community garden will help meet these planning objectives.

History of Previous Development Proposals and Purpose for Which Property was Acquired

In February 2008, the Redevelopment Agency acquired the 5,208 square feet parcel located at 1042 48th Street for use as a future community garden. The 2005 – 2009 Implementation Plan, identified an ongoing project of Land Assemblage and Development as a means to alleviate Blight Condition 3: Contaminated Properties and Blight Condition 5: Vacant and Underutilized Buildings (Attachment 7: Pages 20, 22). Accordingly this property was acquired by the Agency pursuant to the Land Assemblage and Development project and consistent with the redevelopment objectives to acquire and remediate property in order to redevelop them into productive new uses. Thereafter, the 2010-2014 Implementation Plan identified the Community Garden @ 48th Street project involving the remediation of lead impacted soils sufficient to allow for the site to be re-used as a community garden as a means to alleviate Blight Condition 10: Inadequate Public Facilities (Attachment 3: Page 32). Accordingly the acquisition and remediation of this property fulfills the redevelopment objective of the aforementioned Blight Condition to improve inadequate public facilities.

In 2010, the Agency applied for and received a \$49,569 Urban Greening Grant to develop the garden. This grant will fund site preparation (including irrigation and fencing), materials, and furniture.

The plan for the garden, submitted as part of the application for the Urban Greening Grant Program, consists of 35 4' X 8' planting plots; 15 of which will be made accessible to disabled gardeners. Three of the 15 accessible plots will be in raised galvanized stock tanks and will be reserved for use by disabled

gardeners. Three fruit trees will also be added to the site. A shed for the storage of tools and materials will be constructed and made available to gardeners. In order for the garden to be available to people with accessibility needs, the paths in the garden will be constructed using decomposed granite, allowing wheelchair and walker access. A fence will separate the garden plot area and a small park area open to the general public. The garden will include an ornamental iron perimeter fence with a gate that will incorporate an artistic sign presenting the garden to the neighborhood.

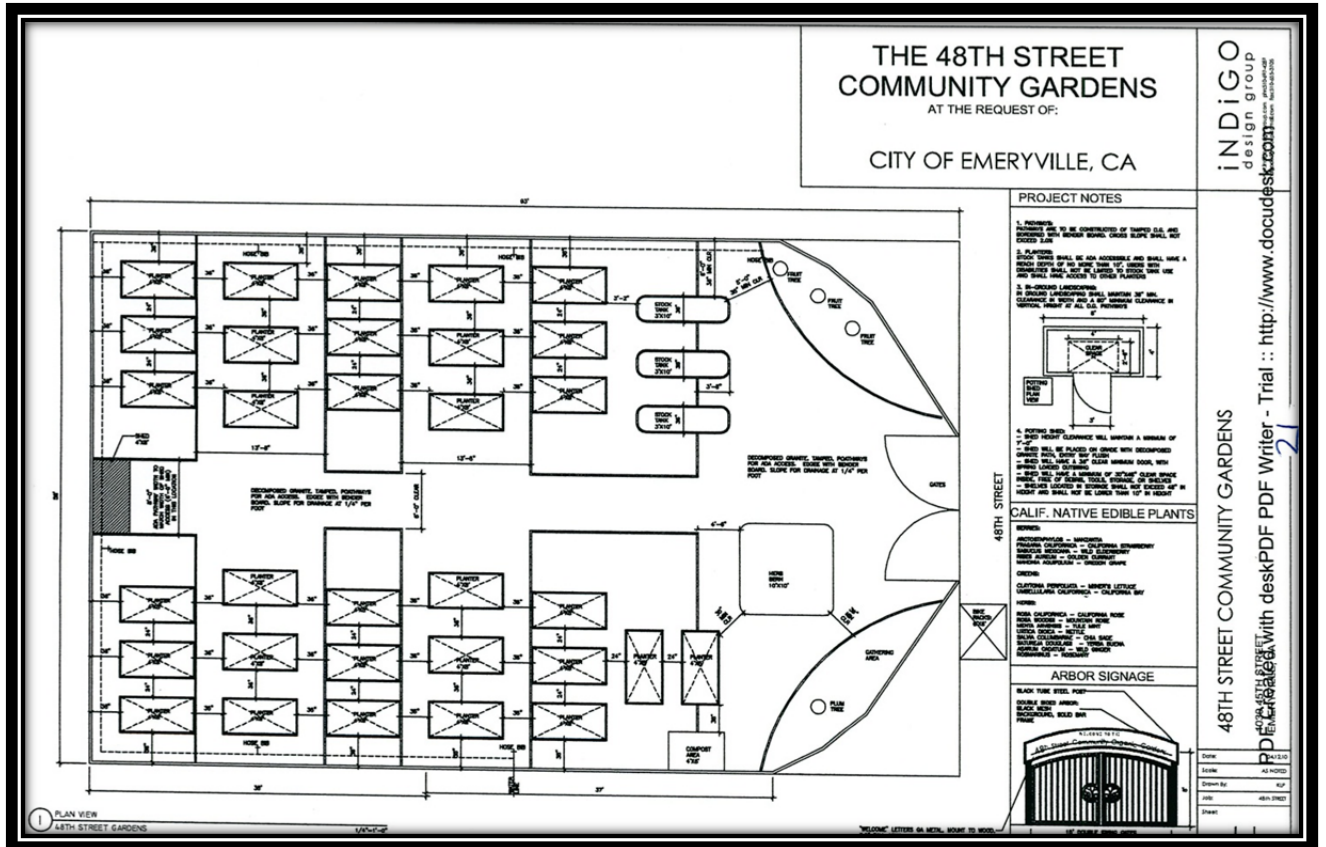


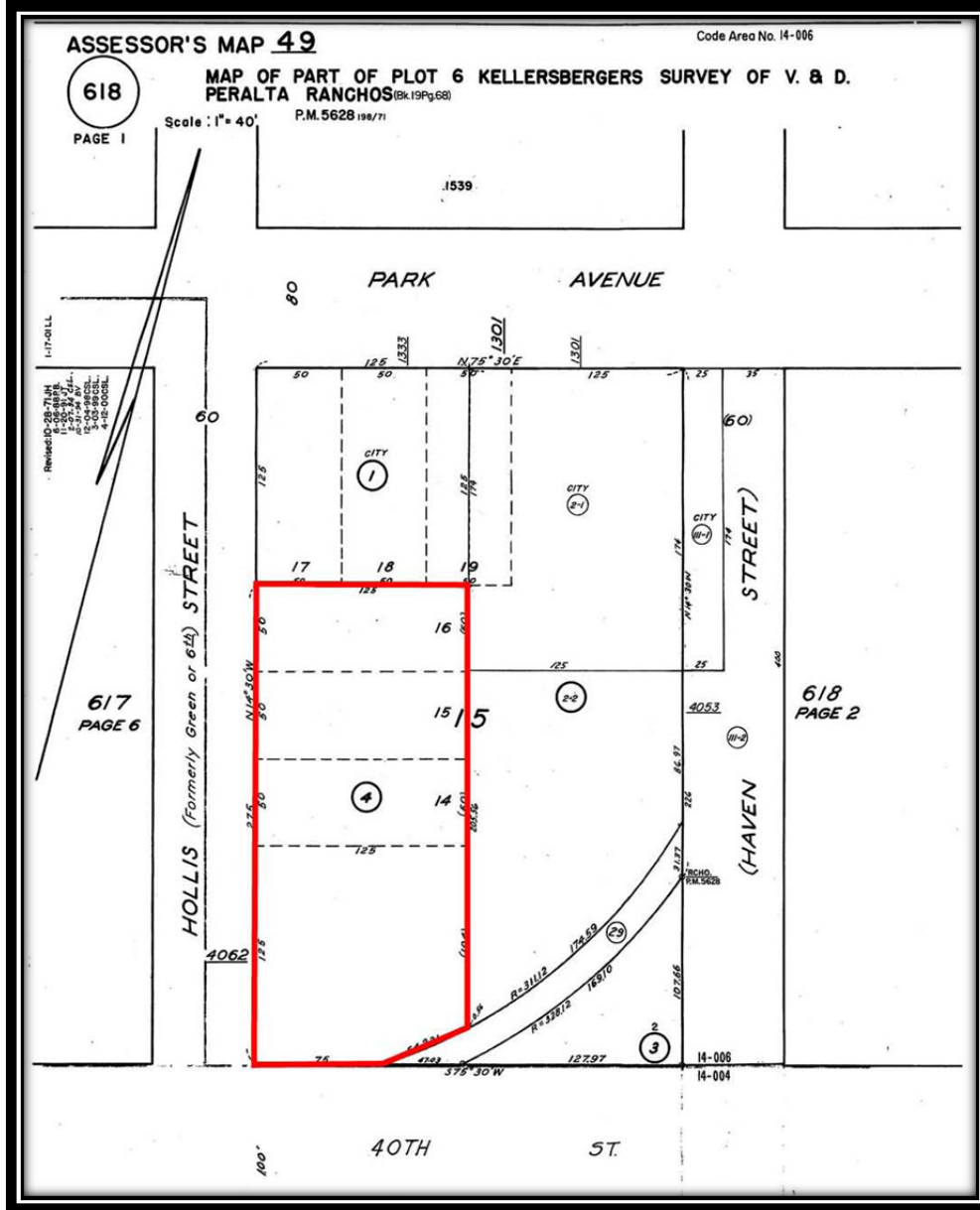
Figure 4 - 48th Street Community Garden Site Plan

The 48th Street Community Garden site is encumbered pursuant to a License Agreement dated December 29, 2010 with the Emeryville Community Organic Garden (ECOG)(Attachment 11) whereby the Redevelopment Agency committed to undertake certain “infrastructure improvements” (i.e. remediate hazardous materials in the soil) and thereafter ECOG would undertake the construction of site improvements with materials provided by the Redevelopment Agency. The License Agreement was approved by the Redevelopment Agency at their December 7, 2010 meeting. For almost 20 years, the City has partnered with ECOG, a 501(c)(3) non-profit corporation, to provide community gardening in the

city. There are two other existing gardens operated by ECOG at this time; one as part of the Emeryville Greenway at Doyle and 59th Streets and the other at Peralta and W. MacArthur Streets. The gardens are built and established using volunteerism. There are approximately 55 seasoned gardeners working in both gardens. Accordingly, upon transfer of the site to the City, the City will honor the terms of the License Agreement with ECOG and work to complete the project site improvements.

The intent of the Successor Agency is to transfer this parcel to the City for continued governmental use.

Retention of Property for Governmental Use 5. Art and Cultural Center



Date of Acquisition: March 30, 2006
Value of Property at Acquisition: \$3,650,000
Estimated Current Value: \$0 based on market and current zoning
Purpose for Which Property was Acquired: Public Art and Cultural Center
Redevelopment Project Area: 1987 Shellmound Park Redevelopment Project Area

Parcel Description

Size: 33,697 square feet

APN: 049- 618-004

The Emeryville Art and Cultural Center site is located at the intersection of Hollis and 40th Streets. Emeryville City Hall borders the parcel to the north and a public parking lot serving City Hall borders the property to the east. The property is a roughly rectangular lot of 33,697 square feet almost completely occupied by a 30,000 square foot one-story, unreinforced masonry brick building. This building, originally constructed for an industrial use, is currently vacant and is in a deteriorated condition. A large factory floor takes up about two-thirds of the square footage. A series of offices, hallways, and bathroom facilities are located in the northern one-third of the building.

Current Zoning

General Plan Land Use Classification: Public, defined as “A variety of public and quasi-public uses, including government offices; fire and police facilities; schools; community services; transit stations and ancillary facilities.”

General Plan Parks, Open Space and Public Services Designation: Civic Center.

Zoning Base District: P Public. “The purpose of the P zone is to implement the provisions of the General Plan applicable to the Public land use classification.”

Zoning Overlay District: PA Park Avenue District Overlay. “The purpose of the PA overlay zone is to implement the Park Avenue District Plan, including its Design Guidelines, adopted by Resolution No. 06-158 on August 15, 2006.”

Zoning Overlay District: PP Pedestrian Priority Overlay. “The purpose of the PP overlay zone is to implement the provisions of the General Plan applicable to Pedestrian Priority Zones.”

History of Environmental Contamination

The building on the site was constructed in the early 1940s and was utilized until recently by industrial manufacturing businesses, and most recently, United Stamping Company, a metal machining and fabrication business. The landscaped area south of the brick structure historically contained a rail spur that joined a main rail corridor that existed south of the property, prior to the area’s redevelopment and the construction of 40th Street.

In 2005 at the time of the Phase I Environmental Site Assessment (ESA) conducted on behalf of the City by Ninyo & Moore, Inc. the property was occupied by the United Stamping Company. Research conducted during the ESA indicated the current structure was constructed in the early 1940s; the

property contained small structures (likely residential) prior to the construction of the current structure, but review of historic documents indicated no significant use. The building was first occupied by the Albert Wright Screw Machine Products Company (succeeded by United Stamping). Surrounding properties were occupied almost exclusively by industrial concerns with the exception of the Emeryville City Hall, initially constructed in 1903 which occupies the same location at Park Avenue and Hollis Street that it does today. Prior to the transformation of the land to the south, the parcel was bordered by railroad tracks across which lay industrial property. 40th Street was constructed in association with the conversion of this industrial land to the present-day East Bay Bridge Shopping Center in the mid 1990s.

Due to the historic industrial property use, Ninyo and Moore concluded their ESA by recommending the collection and analysis of soil and groundwater samples for the purposes of evaluating site environmental quality. As described in their February 2006 Limited Phase II Environmental Site Assessment Report and their 2008 Additional Site Investigation, Ninyo and Moore performed soil and groundwater testing beneath and around the subject property. The results of site investigations indicated the presence of low concentrations of metals and hydrocarbons in the sampled media.

Contaminants in the soil beneath the building derived from industrial practices over the years; contaminants in the landscaped former rail spur area south of the building were rail-related. The results of evaluation showed that the contaminants posed no risk to human or environmental health, but that they were present in concentrations above regulatory screening levels and as such should be managed in place or mitigated to remove potential complications for future use or development. Ninyo and Moore described the objectives and methodology for the removal of shallow contaminated soil in their 2008 Final Site Cleanup Plan and Analysis of Brownfield Cleanup Objectives (SCP). The cleanup plan identified the shallow soil in the vicinity of the landscaped area south of the building as requiring removal; the soil beneath the building that was shown to also contain concentrations of contamination (primarily hydrocarbons) was recommended to be left in place, as it was located beneath a slab that would not be disturbed.

The SCP was approved by the regulatory agencies and soil removal completed in the fall of 2010. Clean backfill was emplaced, compacted, and seeded. The remediation of this area was documented in the 2011 Removal Action Completion Report; the environmental action was given conditional approval by the City regulator in April 2011 and final approval by the RWQCB and DTSC shortly thereafter. It is noted that residual (mostly hydrocarbon) contamination is present beneath the concrete slab of the existing building. Should the building and slab be demolished at some point in the future, this soil may be required by regulatory agencies to be removed.

A complete record of technical project documents is on file (hard and electronic copy) in City offices. The Completion Report and Agency concurrence letter may be accessed in the DTSC Envirostor internet-based information repository (older technical documents are not uploaded to Envirostor). A list of project technical documents is presented below:

- Ninyo and Moore. February 2006, Limited Phase II Environmental Site Assessment 4060-4062 Hollis Street, Emeryville CA
- Ninyo and Moore. November 2008, Final Site Cleanup Plan and Analysis of Brownfield Cleanup Alternatives 4060 – 4062 Hollis Street, Emeryville, CA
- Ninyo and Moore. May 2008, Additional Site Investigation 4060 – 4062 Hollis Street, Emeryville, CA
- Ninyo and Moore. March 2011, Removal Action Completion Report, 4060 – 4062 Hollis Street, Emeryville, CA

Potential for TOD and Other Planning Objectives

The Park Avenue District Plan, adopted by the City Council in August 2006, includes a cultural arts center in the intent, goals, and policies for the District, and identifies this former industrial building, adjacent to the Emeryville Civic Center, as one potential location. The building is designated as an “architecturally significant” structure in the Plan.

The General Plan, adopted by the City Council in October 2009, incorporates the Park Avenue District Plan and summarizes it as follows: “The Park Avenue District Plan establishes incentives and development guidelines toward the creation of a vibrant, mixed-use neighborhood. It seeks to preserve the area’s small parcels and historic buildings and encourage private development of live/work housing, small-scale businesses, pedestrian and bicycle accessibility, and 24-hour community uses. These uses will be supplemented with public investments, which may include an arts center, public parking facilities, community open space, and improved sidewalks.”

The Parks and Recreation Strategic Plan, adopted by the City Council on January 18, 2011, identifies an Arts Center at this location as a planned public facility on its General Plan Parks Concept map. The plan further describes the proposed Emeryville Center for the Arts as follows: “The City has acquired a building south of the Civic Center for future use by the Emeryville Center for the Arts, an independent non-profit organization. This facility will play a role in the overall opportunities for art-related activities including Viewing Art and Participatory Arts and Cultural Activities. The integration of this facility into a

larger civic campus may require some redesign of the plaza space behind City Hall.”

In furtherance of these planning objectives, the property has been acquired by the Agency for development as an arts center. Following an extensive public participation process, including a design competition and presentations before the Park Avenue District Advisory Committee, Planning Commission, and City Council, the plans for the Emeryville Center for the Arts, involving the preservation and adaptive reuse of the existing significant structure, were approved by the Planning Commission on September 22, 2011.

History of Previous Development Proposals And Purpose for Which Property was Acquired

The Redevelopment Agency purchased the site in March 2006 to fulfill its planning objective of developing an Arts and Cultural Center. This project was first identified in the 2000-2004 Five Year Implementation Plan, as amended in June 2002, to address Blight Condition 10: Inadequate Public Facilities. The Civic Center Phase II project provides that it “would complete the Civic Center complex by acquiring the remaining building on the Civic Center block and converting it from private to public use. The existing building could be reused for a permanent exhibit space for the Celebration of the Arts show, as well as a year round performing arts center” (Attachment 6: Page 23). This project was refined in the 2005-2009 Implementation Plan as the Performing Arts/Cultural Center project in order to address Blight Condition 10: Inadequate Public Facilities, and thereafter was continued in the latest 2010-2014 Implementation Plan (Attachment 7: Page 31 and Attachment 3: Page 32 respectively).

The initial plan included 10,000 square feet of gallery space for the annual Emeryville Celebration of the Arts Exhibition, 3,000 square feet of permanent exhibit areas for the Emeryville Historical Society, 3,000 square feet of classroom space for the Pacific Center for the Photographic Arts, and 15,000 square feet for flexible exhibit and performance space for the Emery Unified School District Youth Art Program and other performing visual and media arts groups.

A second development plan for the site was approved in 2011. This second plan was developed as a result of ongoing activities including the establishment of a non-profit operating corporation, Emeryville Center for the Arts (ECA), and the development of a Strategic Plan, Business Plan, and Fundraising Plan for the Art Center. On December 7, 2010 the Emeryville Redevelopment Agency approved an Exclusive Right to Negotiate Agreement (Resolution RD49-10) with ECA for the purpose of negotiating a Lease DDA which would provide for the redevelopment of 4060 Hollis Street and the establishment of an Arts Center.

Pursuant to the ERN, ECA retained architectural services and developed an adaptive reuse proposal for the Art and Cultural Center that met business plan,

programming, and operational requirements. On September 22, 2011, the Emeryville Planning Commission approved a Conditional use Permit and Design Review approval for the adaptive reuse of the property and determined the project is exempt from the California Environmental Quality Act (Resolution CPC No. DR11-010).

ECA was planning to operate the Emeryville Center for the Arts as a first class, regional, arts exhibition and performance space focused on contemporary visual and performing arts in the Bay Area. ECA's vision was to have the facility serve as an instigator for new ideas, dialogues and trends in the contemporary arts. The project as described in the Planning Commission approval is a center for contemporary visual and performing arts that includes a 242 seat theater and a 7,600 square foot gallery. Additional components of the project are 3,900 square feet of office space for six full time and eight part time staff, back-of-house support spaces for the theater and gallery, a 1,200 square foot exterior courtyard, a retail store, and a 1,700 square foot café that includes service area, kitchen and restrooms and trash area.

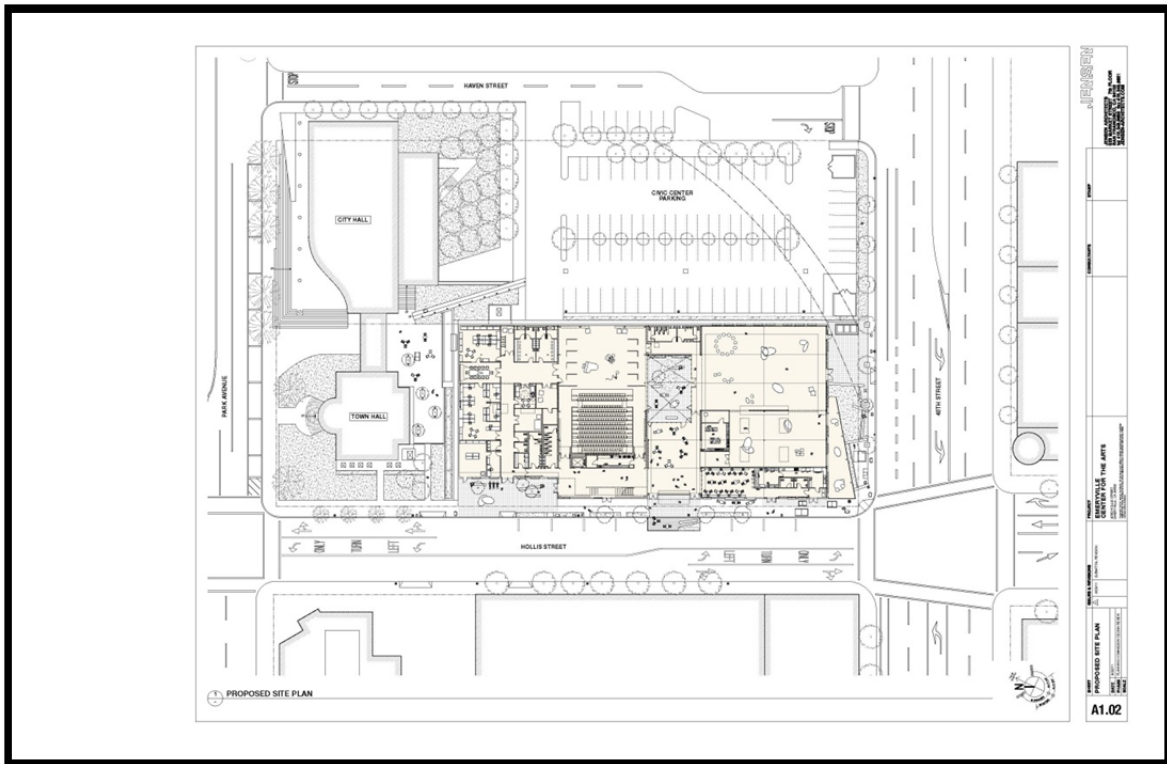


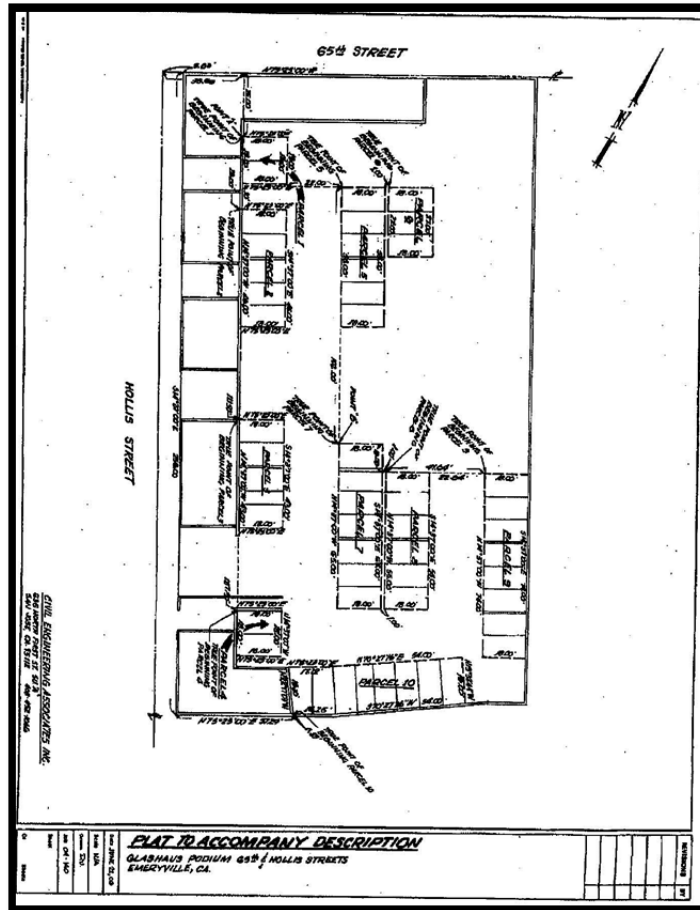
Figure 5 - Emeryville Celebration of the Arts Approved Project Plan

Due to the dissolution of the Redevelopment Agency, the Exclusive Negotiating Agreement with ECA expired and the land use entitlements approved by the Planning Commission expired. Nevertheless, the City has approximately \$1.5

million of funding provided by Pixar Animation Studios specifically pledged to this project as well as the ability to possibly utilize a portion of pre-2011 excess non-housing bond proceeds for rehabilitation of the existing building. Accordingly, given the limited funding available, the City will need to either look at a scaled down version of its plans to repurpose this building into an arts and cultural center, or provide for several phases of development as funding becomes available.

The intent of the Successor Agency is to transfer this parcel to the City for continued governmental use.

6. Glashaus Public Parking



Date of Acquisition: 9/17/2008

Value of Property at Acquisition: \$2,000,000

Estimated Current Value: \$250,000.

Purpose for Which Property was Acquired: Public Parking

Redevelopment Project Area: 1987 Shellmound Park Redevelopment Project Area

Parcel Description

Size: 50 public parking spaces; 8,331 square feet

APN: 49-1504-3-1, 4-1, -1, 6-2 and 7

The Glashaus Public Parking consists of a separate condominium parcel containing 50 public parking spaces, within 8,331 square feet, on the ground floor of a two story parking podium structure beneath four (4) stories of residential condominium units. The ground floor parking podium structure is lined with small

retail/commercial uses (e.g. deli, dry cleaner). The property in which the parking condominium unit is located is situated at the corner of Hollis and 65th Streets.

Current Zoning

The General Plan Land Use Classifications and Zoning for the property on which the parking condominium unit is located are as follows:

- Medium High Density Residential, defined as “Residential development generally at maximum FARs ranging from 0.8 to 1.9. Incidental retail uses that serve the neighborhood are also permitted;” and
- Neighborhood Retail Overlay. “This designation is intended for four neighborhood centers. It is intended for stores, offices, services, and restaurants/ cafés that serve the local community, as well as “flex space” that can be adapted for retail/restaurant use in the future, but may be used for other uses in the interim. A majority of the ground floor use, and a substantial portion of the frontage along any public street, shall be devoted to these uses. Establishments shall generally be smaller sized, lending themselves to the pedestrian-oriented nature of the centers; however larger establishments (such as supermarkets), that serve the local community and are designed appropriately with a pedestrian orientation are also permitted. Retail and eating and drinking establishments can comprise up to 100 percent of the building area.”

Zoning Base District: RMH Medium-High Density Residential. “The purpose of the RMH zone is to implement the provisions of the General Plan applicable to the Medium High Density Residential land use classification.”

Zoning Overlay District: NH North Hollis Overlay. “The purpose of the NH overlay zone is to implement the North Hollis Area Urban Design Program, including its Design Guidelines, adopted by Resolution No. 02-052 on April 16, 2002.”

Zoning Overlay District: NR Neighborhood Retail Overlay. “The purpose of the NR overlay zone is to implement the provisions of the General Plan applicable to the Neighborhood Retail Overlay land use classification.”

Zoning Overlay District: PP Pedestrian Priority Overlay. “The purpose of the PP overlay zone is to implement the provisions of the General Plan applicable to Pedestrian Priority Zones.”

History of Environmental Contamination

The public parking at the Glashaus property occupies space beneath the western portion of the privately owned condominium development. Prior to the

construction of the residential units and public parking condominium spaces, this land was occupied by a variety of transportation, warehousing, and industrial businesses. According to project documents, the land appears to have been first occupied in the early 1900s, growing increasingly industrialized towards the middle of the 20th century.

Property conditions were evaluated by Geomatrix, consultants to the developer during the development planning process. According to Geomatrix, use-related contamination was determined to be present in soil and groundwater beneath areas of the site corresponding to operational areas of the various tenants. Contaminants consisted primarily of petroleum hydrocarbons (fuel and lubricating products) and metals.

The Geomatrix 2006 Draft Completion report describes the implementation of the 2005 Remedial Action Workplan (RAW). The developer implemented the RAW by constructing Liquid Boot® vapor barriers beneath the project. The parking structure includes a mechanical ventilation system (as required by code).

Four general areas were identified for excavation: the northwest area (Remediation Area A, consisting primarily of gasoline); the central area (Remediation Area B, consisting of isolated locations throughout the site where there was an exceedance of one or more criteria); the eastern area (Remediation Area C, consisting of primarily metals impacts); and the southwestern area (Remediation Area D, consisting of primarily diesel impacts). According to reviewed file documents and the Conditional Approval by the City of Emeryville regulator Susan G. Colman, the remedial activities were completed as planned. No additional assessment, remedial or monitoring activity is contemplated or needed.

Project documents are available in City archives and in the files of the City regulator. Selected documents are stored in City electronic files. As the date of the response action preceded the state-maintained systems, technical documents were not loaded to the public databases (Envirostor or Geotracker). A list of relevant technical documents is presented below:

- 2006, S. G. Colman, Draft Conditional No Further Action for Soil and Groundwater Remediation, Report, Glashaus, 1269, 1289, and 1301 65th Street, Emeryville, California
- 2006, Geomatrix. Draft Removal Action Completion Report – Glashaus Site, 1269, 1289, and 1301 65th Street, Emeryville, California
- 2005, Geomatrix. Removal Action Workplan Report – Glashaus Site, 1269, 1289, and 1301 65th Street, Emeryville, California

Potential for TOD and Other Planning Objectives

The North Hollis Area Urban Design Program, adopted by the City Council in April 2002, identified this site (formerly the site of the Sybase gym) as one of two locations for public parking in the North Hollis District (the other being the site north of the Amtrak station). In its strategy for Public Parking Facilities, the Urban Design Program states: “The City should consider partnering with property owners undertaking major redevelopment projects for the incorporation of shared public parking as appropriate (e.g., north of the existing Amtrak station, future redevelopment of the Sybase gym and adjacent properties).” General Plan policy T-P-50 states that: “Public garages will be provided strategically, in locations convenient and proximate to eventual destinations.”

In 2005, Pulte Homes proposed the development of a 145-unit townhouse and retail/residential condominium podium project on this site, calling the project “Glashaus” after an industrial building that had previously occupied the site. The private component of the project incorporates 145 residential condominium units in four levels, 245 parking spaces for the residential uses on one level, and ancillary 1,600 square foot commercial condominium space at the corner of Hollis and 65th Streets as well as a smaller 911 square foot commercial condominium space at the corner of Hollis Street and Peabody Lane.

The Redevelopment Agency negotiated a deal with the developer to include a public parking garage with 50 spaces, in furtherance of the planning objectives of the North Hollis Area Urban Design Program. Thus, the podium building included public parking on the ground floor wrapped with retail uses facing the street, resident parking on the second floor, and residential units above. The public parking component is a separate condominium unit within a larger and otherwise privately owned condominium complex. The “Glashaus Townhouses/Public Parking Project” was approved by the Planning Commission in December 2005. Building permits were issued in 2006-2007, the buildings were occupied in phases beginning in 2007, and the project was completed in early 2009. Thus, for almost seven years the project has been providing free public parking for the North Hollis neighborhood, fulfilling the planning objectives of the North Hollis Area Urban Design Program and the General Plan.

History of Previous Development Proposals And Purpose For Which Property Was Acquired

The Glashaus Public Parking consists of 50 public parking spaces, within 8,331 square feet, comprising a separate condominium space located on the bottom floor of a two-story parking podium structure beneath four-stories of residential condominium units. The ground floor parking podium structure is lined with small retail/commercial uses (e.g. deli, dry cleaners). The ground floor also includes 8 guest parking spaces for the residential units in the project; these guest parking spaces are located outside of the public parking area and are not included in the

count of public parking spaces. The Redevelopment Agency contracted with Pulte Home Corporation to construct this public parking as a component of their condominium development pursuant to that certain Purchase and Sale Agreement And Preliminary Escrow Instructions between the parties dated October 16, 2006 (Attachment 8). The 2005-2009 Implementation Plan, as amended in October 2007, identified the North Hollis (65th/Hollis) Public Parking project involving the acquisition of 50 structured parking spaces in the Glashaus mixed use development to address parking needs in the area as a means to address Blight Condition 10: Inadequate Public Facilities (Attachment 7: Page 30).

Section 19.4 of the Purchase and Sale Agreement provided that the Agreement may be assigned to the City without Pulte's consent as a means to ensure that the parking was being made available to the public at large. The intent was that the 50 parking spaces be available to members of the public who are visiting the small commercial establishments in the Glashaus mixed use development and other nearby establishments in the area which lack available parking as opposed to being acquired by some private third party who then restricts access to themselves or the highest bidder. This parking is currently provided free to members of the public as a means to support nearby commercial businesses which lack adequate off-street parking. This public parking currently generates no revenue and costs approximately \$30,000 per year to operate which the City has been funding since the parking became operational in early 2009.

It is worth noting and recalling that Health and Safety Code Section 33445 limited the ability of the former Redevelopment Agency to pay for the operational expenses of assets and therefore the ultimate transfer of this public parking to the City was anticipated; hence the reason why the City has been paying the operational expenses since 2009. Accordingly, both the City and former Redevelopment Agency treated this asset as that of the City, and this parcel should be allowed to be transferred to the City as the continuation of governmental use of property. The annual costs of operating the parking were assumed by the Successor Agency and paid for from RPTTF commencing with ROPS 14-15A, line items 111 and 112 to cover the operational expenses of this public parking.

The intent of the Successor Agency is to transfer this parcel to the City for continued governmental use.

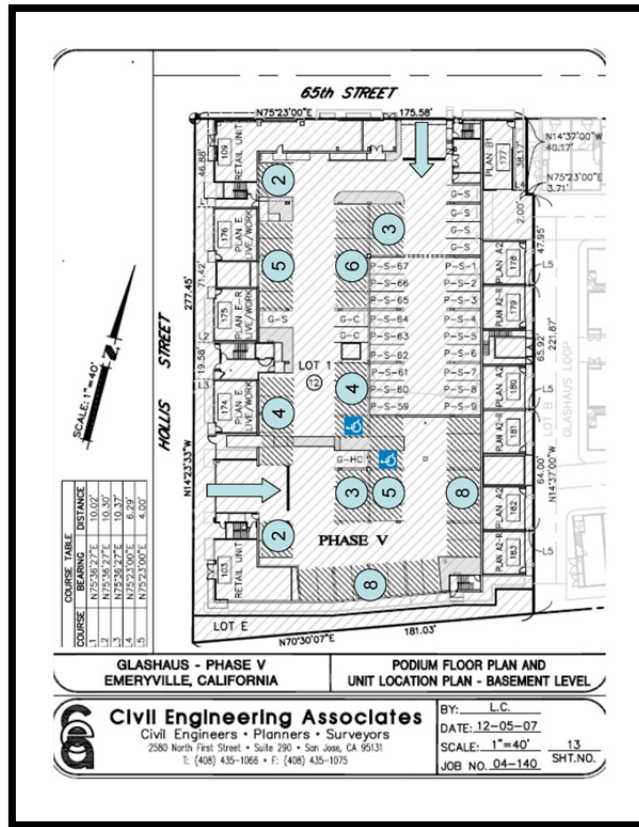
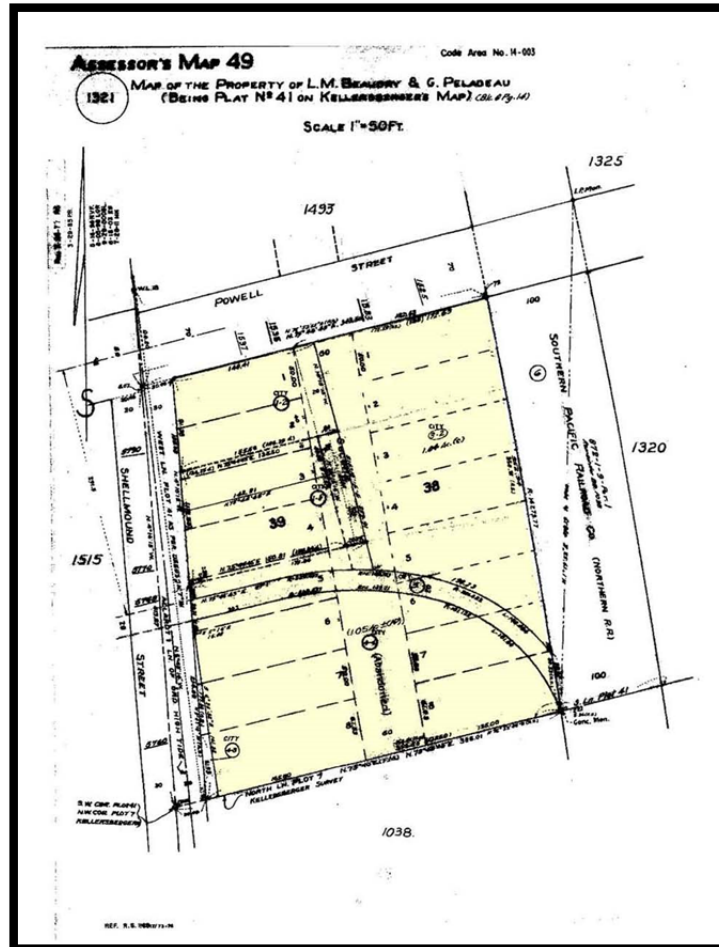


Figure 6 - Glashaus Public Parking

Properties for Future Development

7. South Bayfront Site B



Date of Acquisition:

South Bayfront Site B consists of five parcels which were assembled and purchased by the Redevelopment Agency between 2006 and 2010 from four (4) different property owners. The acquisition date for each parcel is listed below:

1525 Powell Street (APN 049-1321-005; 049-1321-003-02)(October 16, 2006 - \$6,200,000 exclusive of environmental impacts)

1535 Powell Street (APN 049-1321-001-2) (November 8, 2006 - \$2,300,000 exclusive of environmental impacts)

5770 Shellmound Street (APN 049-1321-001-4) (November 5, 2010 - \$2,060,000 exclusive of environmental impacts)

5760-5764 Shellmound Street (APN 049-1321-004-4)(December 14, 2010 - \$5,400,000 exclusive of environmental impacts)

Value of Property at Acquisition: \$15,960,000 exclusive of environmental impacts

Estimated Current Value: \$13,880,000 (based on August 8, 2012 appraisal)

Upon transfer of South Bayfront Site B to the City, the City will be responsible for marketing Site B to potential developers through either a competitive process (such as a Request for Proposals, a Request for Qualifications, or a Notice of Development Opportunity) or a negotiated transaction. The properties may be sold at their fair market value or their fair reuse value, based on the dictates of market conditions and the development climate at the time of disposition. The determination of fair market value will consider the property's highest and best use. The determination of fair reuse value will consider the proposed use of the property and the value of the property with the conditions, covenants and development costs associated with the negotiated disposition. The sales price will be determined based on actual development proposals.

Purpose for Which Property was Acquired: Extension of Bay Street Site A - residential/commercial mixed use

Redevelopment Project Area: 1976 Emeryville Redevelopment Project Area.

South Bayfront Site B is located in the general area identified as Area III in the 1976 Emeryville Redevelopment Plan. Within Area III, the 1976 Redevelopment Plan envisioned that the redevelopment of this area would seek to stop the exodus of major industrial uses from the area, intensify the development of property presently underutilized and develop appropriate commercial and residential development, especially along the freeway frontage. More specifically, the 1976 Emeryville Plan recognizes that the Agency may assist the development of new commercial and residential development within Area III in order to strengthen the economic and employment base of Emeryville, as well as to provide a greater residential market within Emeryville (Attachment 4: Page 8,9).

Five Year Implementation Plan: January 2010 – December 2014:

The 2005-2009 Implementation Plan and 2010 - 2014 Implementation Plan identified the Bay Street Site B Project as a means to address and alleviate Blight Condition 4: Loss of Tax Base and Jobs and Blight Condition 5: Vacant And Underutilized Buildings (Attachment 7: Page 23 and Attachment 3: Page 23

respectively). As described in the Implementation Plans, Bay Street Site B will be a continuation and completion of the existing Bay Street Mixed-Use Development, located on what is known as Site A. The project will serve as a northern end-cap for the existing Bay Street Site A development and may consist of retail (possibly a department store), a hotel, and structured parking.

Parcel Description

Size: 3.04 acres (132,491 s.f.)

APN: 049-1321-001-2; 049-1321-003-02; 049-1321-005; 049-1321-001-4; 049-1321-004-4

Site B is a vacant lot composed of five assembled legal parcels of irregular shape bounded by Powell Street to the north, the Union Pacific Railroad tracks to the east, Shellmound Street to the west, and the Bay Street shopping mall to the south. The elevated Powell Street Bridge over the railroad tracks is to the north. The site is located in the commercial corridor of west-central Emeryville, just north of the existing mixed-use Bay Street Shopping Center and residential development.

Current Zoning

General Plan Land Use Classifications:

- Mixed Use with Residential, defined as “One or more of a variety of residential and nonresidential uses, including but not limited to offices, retail and hotels. On larger sites, a mix of residential and non-residential uses is required; on smaller sites, a single use may be permitted;” and
- Regional Retail Overlay, which “is intended to reflect sites that are appropriate for retail uses that serve as a regional draw. Stores can be small in size (such as at Bay Street) or large (such as IKEA). For sites with this overlay, 100 percent of the building area can be retail, while the uses in the underlying classification are also permitted;” and
- Major Transit Hub, defined as ¼-mile radius (10 minute walk) from “transfer points where high volume transit lines intersect. These are located in the Amtrak station with access from both sides of the rail line, and at 40th Street and San Pablo Avenue” (Land Use Element), and “locations where a number of major transit routes intersect, and where high density ‘transit-oriented development’ and enhanced amenities to promote transit ridership are appropriate” (Transportation Element).

Zoning Base District: MUR Mixed Use with Residential. “The purpose of the MUR zone is to implement the provisions of the General Plan applicable to the Mixed Use with Residential land use classification.”

Zoning Overlay District: RR Regional Retail Overlay. “The purpose of the RR overlay zone is to implement the provisions of the General Plan applicable to the Regional Retail Overlay land use classification.”

Zoning Overlay District: TH Transit Hub Overlay. “The purpose of the TH overlay zone is to implement the provisions of the General Plan applicable to Major Transit Hubs.”

Zoning Overlay District: PP Pedestrian Priority Overlay. “The purpose of the PP overlay zone is to implement the provisions of the General Plan applicable to Pedestrian Priority Zones.”

History of Environmental Contamination

The properties known collectively as South Bayfront Site B consist of five parcels previously owned by 4 different owners commonly referred to as the C&S Enterprise, Adam, Koeckritz and Robinson parcels. The approximately 3-acre parcel has been occupied by a variety of industrial concerns since the turn of the 20th century.

Commencing in approximately 2004, the Redevelopment Agency commenced actions to acquire and remediate the site for redevelopment into a mixed-use end cap for the Bay Street Site A project discussed above. In the years following, a series of environmental studies documented the nature and extent of contamination and enabled the creation of a Remedial Action Plan. The soil remediation portion of the plan was completed in 2009; the groundwater remediation is planned for 2014 completion with on-going long term groundwater monitoring thereafter.

The approximately 3 acre South Bayfront Site B property is located in west-central Emeryville just north of the Bay Street Site A retail, entertainment and residential development complex. Shellmound Street runs along the western property boundary; the Union Pacific railroad corridor is to the east. The elevated Powell Street approach to its bridge over the railroad tracks is to the north.

The pattern of historic development and use was studied by Eler and Kalinowski, Inc. (EKI) in their 2004 Phase I Environmental Site Assessment (ESA). According to the ESA, at the time of the earliest available documentary record (1903) the Site B parcel was already developed by the Western Carbonic Acid Gas Company and sat adjacent to the eastern shoreline of the San Francisco Bay (the near-shore Bay was filled over the years to create neighboring developable land). By 1911, the Union Oil Company had developed a tank farm along the northern portion of the property for the storage and distribution of petroleum products. Over the years since, a variety of industrial

uses occupied the property, with a gradual de-industrialization observed over the latter half of the 20th century. Uses at the time of the EKI property reconnaissance in 2004 included warehouses, a flower market, and several light manufacturing concerns. Development and use patterns of neighboring land were similar to the subject site, with initial industrial development giving way to the commercial uses observed in the area today.

The assessment of use-related environmental impact commenced in 2004. Assessment activities were completed in phases, beginning with a detailed examination of the historic record and later including episodes of soil and groundwater testing in areas shown by research to have contained operational features of potential environmental concern. Results of investigation showed that groundwater was present at about eight feet below ground surface, and that the overlying soil in several areas of the property contained levels of contaminants higher than regulatory standards for commercial or residential redevelopment. Detected contamination consisted primarily of petroleum hydrocarbons and metals.

Results of analysis of groundwater samples collected from monitoring wells and test borings indicated the presence of metals, hydrocarbons and chlorinated solvents. The source of most of the contamination appeared to be historic on-site activities, though the possibility for the on-property migration of chlorinated solvents from an off-site source was also identified.

After an extensive process of environmental investigation and assessment, and having either acquired or obtained an order for possession of the parcels in eminent domain proceedings, in June 2008, the Redevelopment Agency publicly bid and awarded a contract to Pacific States Environmental Contractors, Inc. ("PSEC"), for soil remediation of toxic contamination at South Bayfront Site B. Other contractors retained by the Redevelopment Agency for the soil remediation project included URS for archaeological monitoring during ground disturbing activities, EKI, the vendor responsible for the implementation of the Final Feasibility Study/Remedial Action Plan ("FS/RAP") and Final Remedial Design and Implementation Plan ("RDIP"), and Harris Associates, the vendor responsible for the day-to-day management of the remediation contractor.

Soil remediation activities were conducted in accordance with the Final RDIP approved by the Department of Toxic Substances Control (DTSC) on October 10, 2008. Soil remediation activities were completed in fall 2009, and PSEC demobilized from Site B in October 2009. The Soil Remediation Completion Report was approved by DTSC on June 15, 2010. Upon completion of the soil remediation, the next phase of remediation related to groundwater contamination commenced immediately thereafter in accordance with the FS/RAP and Final RDIP.

The remediation at South Bayfront Site B has been conducted in two stages, with the first stage involving the removal of contaminated soil present above the shallow groundwater and the second being the remediation of the groundwater itself. The first stage of remediation was completed in 2009 and is documented in the EKI report entitled Soil Remediation Completion Report (EKI, 2010). As described in this report, soil to a depth of 8 to 10 feet below ground surface was removed from the entire footprint of the property.

Beginning in September 2010, the City proceeded to address implementation of post-soil remediation groundwater activities and initiated an on-site groundwater pilot study for the properties located at the northeast corner of Site B. The purpose of the pilot study was to test the effectiveness of in-situ enhanced reductive dechlorination of chlorinated volatile organic compounds in the groundwater, or what one might term as bio-remediation. With respect to groundwater remediation, the approved FS/RAP anticipated that the Redevelopment Agency would implement a remedy involving the construction of a containment trench around the northeast edge of Site B and then pump the contaminated groundwater and treat it before disposal. The FS/RAP also contained as an alternative the bio-remediation concept. Based on the results of the soil remediation and discussions with DTSC, the Redevelopment Agency agreed to pursue the bio-remediation concept rather than the construction of the containment trench and pumping and treating of contaminated groundwater. The results for the pilot study were very favorable in terms of addressing the contaminants in the groundwater via bio-remediation.

This remedial alternative is currently being deployed on the site and injections to groundwater were conducted between July and October of 2013. Groundwater monitoring activities were conducted in February 2014 to evaluate the effectiveness of the injections. Post soil remediation groundwater investigations revealed the presence of CVOCs in deeper groundwater on the southeastern portion of Site B. These impacts to deeper groundwater are either the result of releases from up gradient off-site sources or are the result of releases from on-site sources that have migrated to the deeper groundwater zone. Accordingly, at the direction of DTSC, in spring/summer 2015 the Successor Agency undertook further investigation of on-site and off-site groundwater in an effort to identify the source of impacts to the deeper groundwater on Site B. The results of this additional investigation are being compiled for dissemination to DTSC in the fall/winter 2015. Depending on the test results a further amendment to the FS/RAP to address the deeper groundwater may be ordered by DTSC which would likely include additional injections to deeper groundwater, followed by additional confirmation groundwater testing. If DTSC were to order the preparation of a further amendment to the FS/RAP, that plan would likely be completed by summer 2016, followed by actual implementation of injections to deeper groundwater in the fall of 2016, and confirmation sampling in late 2016/early 2017. After completion of this work, the Successor Agency is obligated to prepare an Operations & Maintenance Agreement, an Operations &

Maintenance Plan, a Removal Action Completion report, and a Land Use Covenant for approval by DTSC. Thereafter, the Successor Agency will receive a Certificate of Completion from DTSC.

Accordingly, transfer of the South Bayfront Site B parcels to the City will be subject to the ongoing obligation of the Successor Agency to complete all required work necessary to obtain the Certificate of Completion from DTSC. Thereafter, as between the City and the Successor Agency, the City will assume all responsibility to comply with the obligations of the Operations & Maintenance Plan as provided by the Operations & Maintenance Agreement, as well as the terms and conditions of the Land Use Covenant. The obligations in the Operations & Maintenance Plan will relate primarily to ongoing groundwater monitoring obligations as well as the requirement to install vapor barriers and a sub-slab ventilation system. These obligations assumed by the City will thereafter be assigned to the selected developer of the site. Accordingly, once the Successor Agency obtains its Certificate of Completion from DTSC, obligations of the Successor Agency as currently reflected in line items 39, 40, 41 and 43 of ROPS 15-16A would be retired.

In order to address the risk of VOC vapor intrusion, the installation of vapor barriers beneath the new inhabited Site buildings will be required. Vapor barriers will consist of an impermeable liner, consisting of a spray-on liner, geomembrane, or equivalent that will be installed beneath each building foundation. Beneath each liner, perforated piping and permeable backfill will be placed in trenches and will be vented to the atmosphere. Ambient pressure and temperature gradients between the subsurface and outdoor air should induce sufficient air flow in the piping to minimize any potential vapor accumulation. The design and installation of the vapor barriers will be coordinated with the Site B redevelopment. It is anticipated that the vapor barrier design and installation documentation will be provided to DTSC by the developer selected for redevelopment of the site. The land use covenant will require vapor barrier installation, protection and maintenance for all future Site buildings.

A comprehensive collection of project documentation, from the Phase I Environmental Site Assessment completed in 2004 through the remedial design documents published in 2012 are available on the DTSC Envirostor. Recent technical project documents are on file (hard and electronic copy) in City offices. Older documents (pre-2008) are stored in the City archives. A comprehensive collection of reports and agency correspondence is accessible in the DTSC Envirostor internet-based information repository at http://www.envirostor.dtsc.ca.gov/public/profile_report.asp?global_id=70000131.

A list of significant project technical documents is presented below:

- EKI, 2004. Phase I Environmental Site Assessment ("Phase I"), Site B, Emeryville, California, Erler & Kalinowski, Inc., October 2006.

- EKI, 2007. Revised Draft Remedial Investigation and Human Health Risk Assessment Report, Erler & Kalinowski, Inc., May 2007
- EKI, 2008. Final Feasibility Study and Remedial Action Plan, Erler & Kalinowski, Inc., March 2008.
- EKI 2008. Remedial Design and Implementation Plan
Plan, Erler & Kalinowski, Inc., September 2008
- EKI 2010. Soil Remediation Completion Report, Erler & Kalinowski, Inc., April 2010
- EKI 2012. Final Pilot Study for On-Site Shallow Groundwater, Erler & Kalinowski, Inc., May 2012.

Finally, it should be noted that the former Redevelopment Agency obtained a policy of Environmental Site Liability Insurance from Chubb Custom Insurance Company providing up to \$10,000,000 of coverage for each pollution incident, subject to a \$100,000 deductible for each incident (Attachment 12). The transfer of the South Bayfront Site B parcels to the City in accordance with this Plan would also include the transfer and assignment of this policy of insurance from the Successor Agency to the City in order to facilitate the ultimate assignment of the policy by the City to the developer of the property.

Potential for TOD and Other Planning Objectives

The South Bayfront Design Guidelines, adopted by the Redevelopment Agency in April 1997, call for Site B to be developed with up to 69,000 square feet of retail, and up to 200,000 square feet of office or residential, with up to 520 structured parking spaces. The Guidelines call for the site to have a higher architectural focal point (approximately 100 feet tall) and pedestrian linkages to a sequence of uses to the south and west.

The General Plan Land Use Diagram designates Site B as Mixed Use with Residential with a Regional Retail overlay, and within a Major Transit Hub area. The Urban Design Element identifies the vicinity of Site B as the “Core” area of the city, with the tallest buildings and the greatest intensity and residential density. This is reflected in the height, building intensity (floor area ratio, or FAR), and residential density maps in the Land Use Element. The height limit is up to 100’ by right and over 100’ (no specific limit) with a development bonus; the FAR is 4.0 by right and up to 6.0 with a development bonus; and the residential density is 115 units per acre by right and up to 170 units per acre with a development bonus. Development bonuses require a conditional use permit and the earning of “points” for providing a variety of public benefits. Policy UD-P-7

provides that: “A high-intensity mixed-use core will be located near Powell Street and Christie Avenue, and built to the street edge to maintain a vibrant pedestrian-oriented district.”

The nearby Amtrak station is one of two Transit Hubs in the City (the other being the 40th and San Pablo transit center serving several major AC Transit bus lines). The General Plan also calls, in the long-term, for a new BART line to be developed along the rail corridor, with a station at Powell Street, adjacent to Site B. Thus, with the existing very busy Amtrak station and a possible future BART station, Site B is ideally located to support Transit Oriented Development. Policy T-P-36 states that: “The City supports Transit-Oriented Development with reduced parking requirements, and amenities to encourage transit use and increase pedestrian comfort around the Major Transit Hubs at the Amtrak station and the 40th Street/San Pablo Avenue intersection.” This is supported by the Planning Regulations TH Transit Hub Overlay Zone, which reduces all parking requirements by 50% within this area.

Development of a high-density, mid- to high-rise mixed use development, with a variety of pedestrian- and transit-oriented residential, retail, and/or office uses on this site would achieve these planning objectives of the South Bayfront Design Guidelines and the General Plan.

History of Previous Development Proposals And Purpose For Which Property Was Acquired

In 2004, the Redevelopment Agency commenced actions to acquire and redevelop the five (5) separate properties known collectively as South Bayfront Site B as a mixed-use endcap to the Bay Street Site A project.

South Bayfront Site B is located in the general area identified as Area III in the 1976 Redevelopment Plan (Attachment 4). Within Area III, the 1976 Redevelopment Plan envisioned that the redevelopment of this area will seek to stop the exodus of major industrial uses from the area, intensify the development of property presently underutilized and develop appropriate commercial and residential development, especially along the freeway frontage. More specifically, the 1976 Emeryville Plan recognizes that the Agency may assist the development of new commercial and residential development within Area III in order to strengthen the economic and employment base of Emeryville, as well as to provide a greater residential market within Emeryville (Attachment 4: Pages 8, 9) .

The 2010-2014 Implementation Plan identified the Bay Street Site B Project as a means to address and alleviate Blight Condition 4: Loss of Tax Base and Jobs and Blight Condition 5: Vacant And Underutilized Buildings. As described therein, Bay Street Site B will be a continuation and completion of the existing Bay Street Mixed-Use Development located on Site A. The project will serve as a northern

end-cap for the existing Bay Street Site A development and may consist of retail (possibly a department store), a hotel, and structured parking (Attachment 3: Page 23).

On January 11, 2005 the Redevelopment Agency and Madison Bay Street LLC, entered into an Exclusive Right to Negotiate Agreement for redevelopment of Site B. The Exclusive Right to Negotiate Agreement was amended six times to extend the term, to amend the project description and scope of development, and to allow more flexibility in the potential uses within the project. In December 2010 the Agency approved a Sixth Amendment to the Exclusive Right to Negotiate Agreement which expired September 30, 2012. The ERN required the Redevelopment Agency and Madison Bay Street to engage in good faith negotiations to prepare a Disposition and Development Agreement for acquisition and development of Site B by Madison Bay Street.

The developer prepared a series of development plans that incorporated a Macy's Department store on the site. These site plans also incorporated the undeveloped portion of Bay Street Site A owned by Madison Bay Street to the south of Site B into the development. The first plan included an 180,000 square foot department store and a 520 parking structure. In November, 2011, the developer presented a revised plan to the Redevelopment Agency consisting of a 150,000 square foot Macy's Department store and a 431 space parking structure. The details of the November 2011 plan are as follows:

- Two level 150,000 square foot department store
- Two levels of parking above the department store with 431 parking spaces.
- 81 surface parking spaces

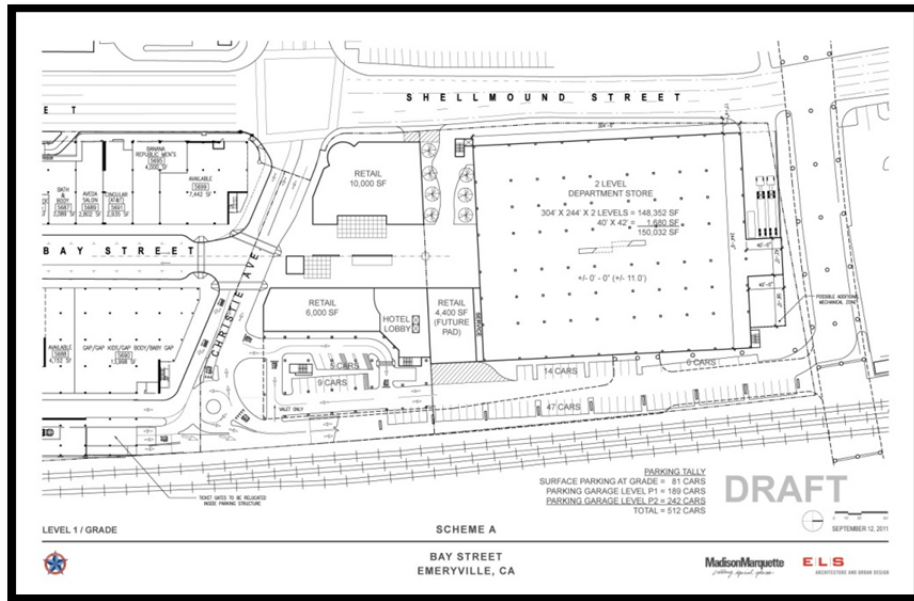


Figure 7 - Madison Bay Street Macy's Site Plan - Ground Floor

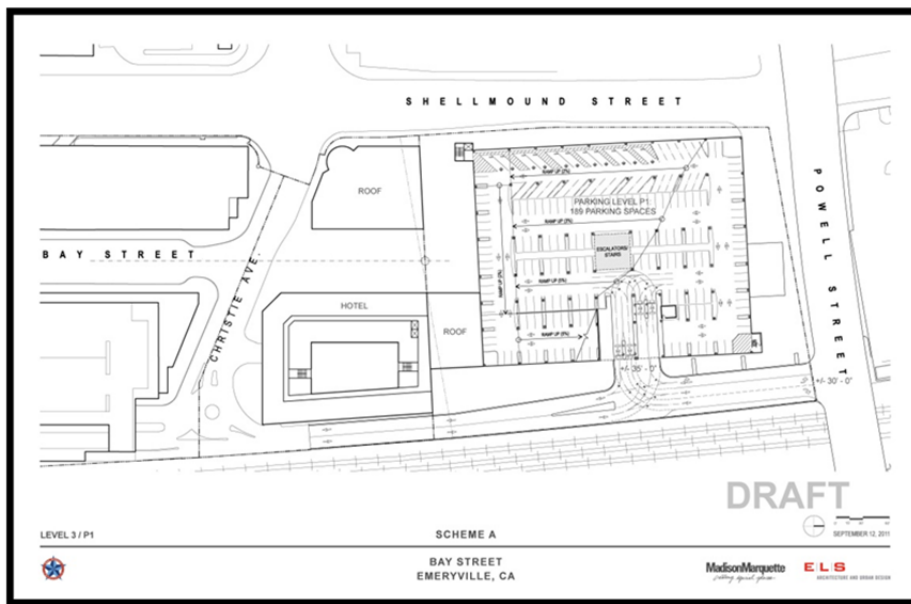


Figure 8 - Madison Bay Street - Macy's Plan First Floor Parking Podium Above Macys

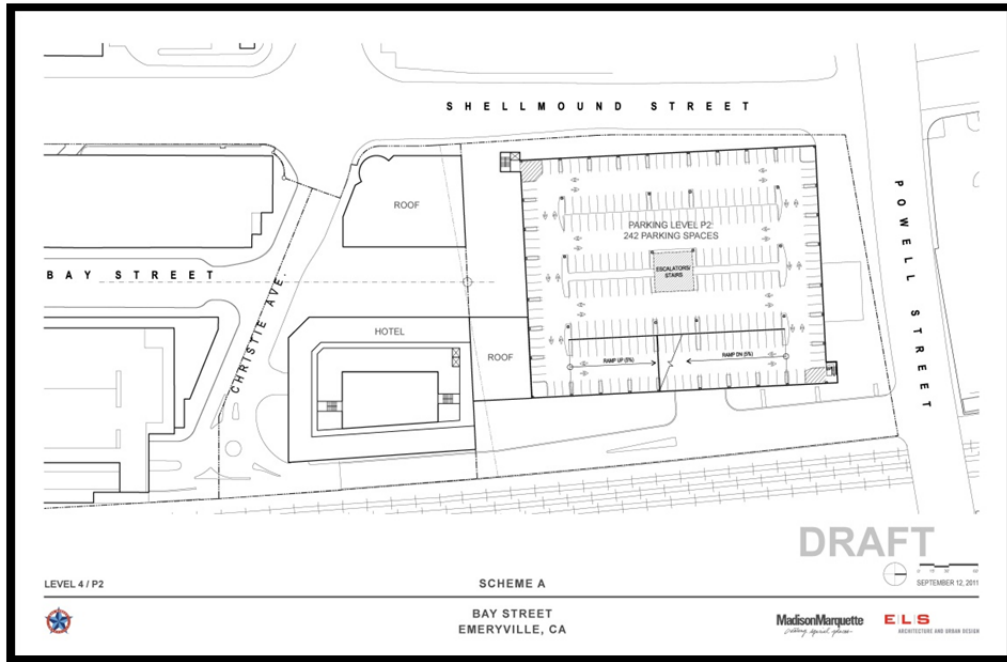


Figure 9 - Madison Bay Street - Macy's Plan 2nd floor parking podium

Subsequent to the dissolution of redevelopment, but prior to the expiration of the ERN, the developer submitted a revised site plan (dated July 3, 2012) that did not incorporate a department store. The site plans identify a junior anchor market, restaurant and retail space, and residential apartments. Additionally, there is a parking structure and ancillary uses such as a clubhouse and swimming pool. Note that the site plan includes redevelopment of Site B as well as the undeveloped portion of Site A abutting the south end of Site B.

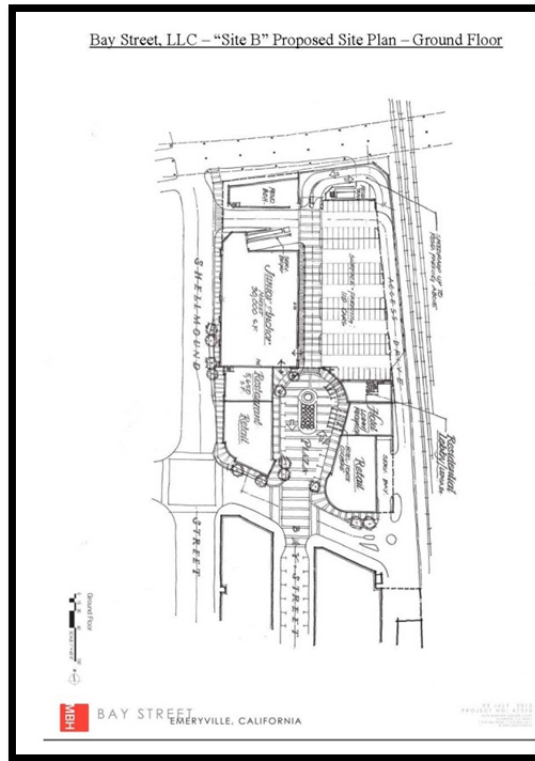


Figure 10 - Madison Marquette Site B Junior Anchor Plan- Ground Floor

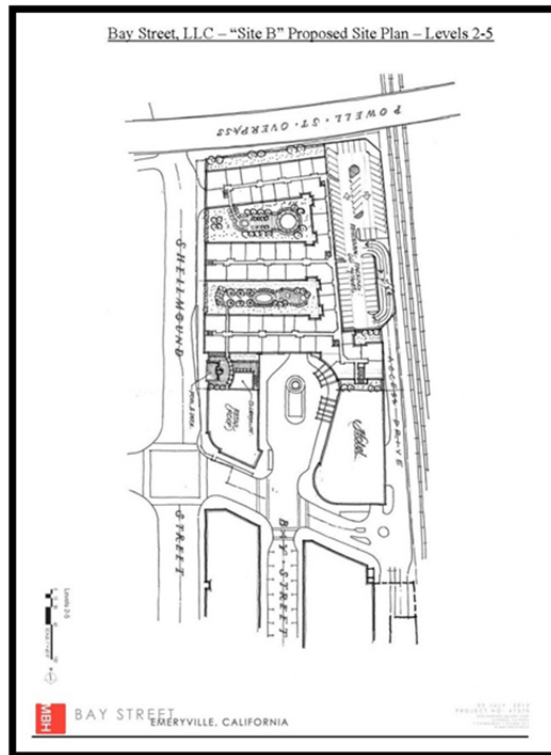


Figure 11 - Madison Marquette Site B Junior Anchor Plan Residential Above Ground Floor

The intent of the Successor Agency is to transfer the assemblage of parcels known as South Bayfront Site B to the City in order to be retained for future development of a project identified in, and in accordance with, the 1976 Redevelopment Plan (Attachment 4), the 2010-2014 Implementation Plan (Attachment 3), and the City's General Plan and any applicable specific plans. Future development of this site under the control of the City is essential in order to advance the planning objectives for which these properties were originally acquired and to realize community benefit objectives such as the development of affordable housing which has become much more difficult with the dissolution of redevelopment agencies and appellate court decisions restricting the application of inclusionary housing ordinances. Thus the fundamental purpose for acquiring and developing these properties is to achieve the objectives identified in the 1976 Redevelopment Plan and 2010-2014 Implementation Plan.

As noted, the 2010-2014 Implementation Plan indicates that the South Bayfront Site B project will further serve as an end-cap for the existing Bay Street Site A mixed use development. From a planning and coordinated development standpoint, the ability of the City to coordinate and integrate Site B with the undeveloped portion of Site A is critical. In the nearly 10 years since Bay Street Site A has been in existence, the northern end of that development has stagnated and not fulfilled its true promise because it spills out upon approximately 3 acres of vacant land, known as Site B, that has been undergoing demolition and remediation activities during that period. The South Bayfront Site B property is ready to be redeveloped and with it Site A will be able to finally fulfill its promise all to the benefit of the taxing entities.

Finally, it is worth noting that as required by Assembly Bill 470 (Government Code Section 52200 *et seq.*)(Attachment 14), the City will be required to hold a public hearing and adopt findings that the sale or lease of South Bayfront Site B will assist in the creation of "economic opportunity" as defined. Section 52200.2 provides that "economic opportunity" includes projects that create affordable housing, are included in a sustainable communities strategy adopted in accordance with Senate Bill 375, or are a transit priority project as defined in Public Resources Code Section 21155. Essentially the entire City of Emeryville, including South Bayfront Site B, is in a Priority Development Area (PDA) and PDAs are serving as the foundation upon which the Bay Area's first sustainable communities strategy is structured (Attachment 15). Further, given the close proximity of South Bayfront Site B to the Emeryville Amtrak Station, which is a "major transit stop" as defined in Public Resources Code Section 21064.3, the South Bayfront Site B project is certain to qualify as a transit priority project depending upon the eventual mix and density of residential use. Thus the City's General Plan and Planning Regulations are entirely consistent with the objectives of Assembly Bill 470 and Senate Bill 375 as they relate to the development of South Bayfront Site B.

Since the Amended Plan directs that this property be transferred to the City and used for a project identified in an approved redevelopment plan pursuant to Section 34191.5 (c)(2)(a), the provisions of Section 34191.5(c)(2)(b) directing that the proceeds from the sale of property be distributed as property tax to the taxing entities does not apply. The Successor Agency interprets Section 34191.5 to mean that compensation agreements with affected taxing entities are not required in connection with the disposition of Emeryville Successor Agency property to the City for future development. Nevertheless, the Department has advised the Emeryville Successor Agency that Health and Safety Code Section 34180 (f) either requires a compensation agreement to be in place or that the City reach a compensation agreement with the affected taxing entities prior to disposition of the property. Further, SB 107 added subsection 34191.5(c)(2)(A)(iii) to the Dissolution Act, providing that the Department or the Oversight Board “may” require approval of a compensation agreement prior to transfer of property, provided, however, that the compensation agreement may be prepared subsequent to the process approving a long range property management plan.

Accordingly, pursuant to the Department’s December 31, 2014 directive and in anticipation that the Department will require a compensation agreement pursuant to SB 107, this Amended Plan requires the City to enter into a compensation agreement with the affected taxing entities prior to disposition of the property. The compensation agreement will specify that any net unrestricted proceeds from the sale of the property will be distributed to all of the affected taxing entities on a pro rata basis in proportion to each entity’s respective share of the property tax base. The calculation of net unrestricted proceeds shall take into account the transaction costs incurred by the City in marketing the property and processing the sale or lease, as well as the costs incurred by the City in carrying or maintaining the property and in preparing and improving the parcels for development. Notwithstanding the foregoing, this paragraph will not be operative if a court order or decision, legislation or a Department policy reverses the directive that a compensation agreement is required in connection with the transfer of South Bayfront Site B by the Successor Agency to the City for future development.

Furthermore, three (3) of the five (5) parcels that comprise South Bayfront Site B were acquired with tax-exempt bond proceeds and thus bond counsel has advised that in accordance with bond covenants and applicable law, any proceeds from the eventual disposition of this development parcel will continue to be restricted to uses consistent with federal tax law and with the bond covenants in the indenture, such as investing in other capital projects meeting a redevelopment purpose as identified in the 2010-2014 Implementation Plan (Attachment 3). Therefore, the City and Successor Agency will follow the advice of independent tax counsel regarding the distribution of sales proceeds from these parcels. If the opinion is consistent with the advice from bond counsel, proceeds from the sale of three (3) of the five (5) parcels comprising South

Bayfront Site B would not be available for distribution to taxing entities (Attachment 16). Accordingly, the aforementioned compensation agreement, if required, would address the distribution of proceeds from the sale of two (2) of the five (5) parcels comprising South Bayfront Site B and the City would utilize the proceeds from the sale of the three parcels acquired with bond proceeds to undertake projects identified in the 2010-2014 Implementation Plan (Attachment 3).

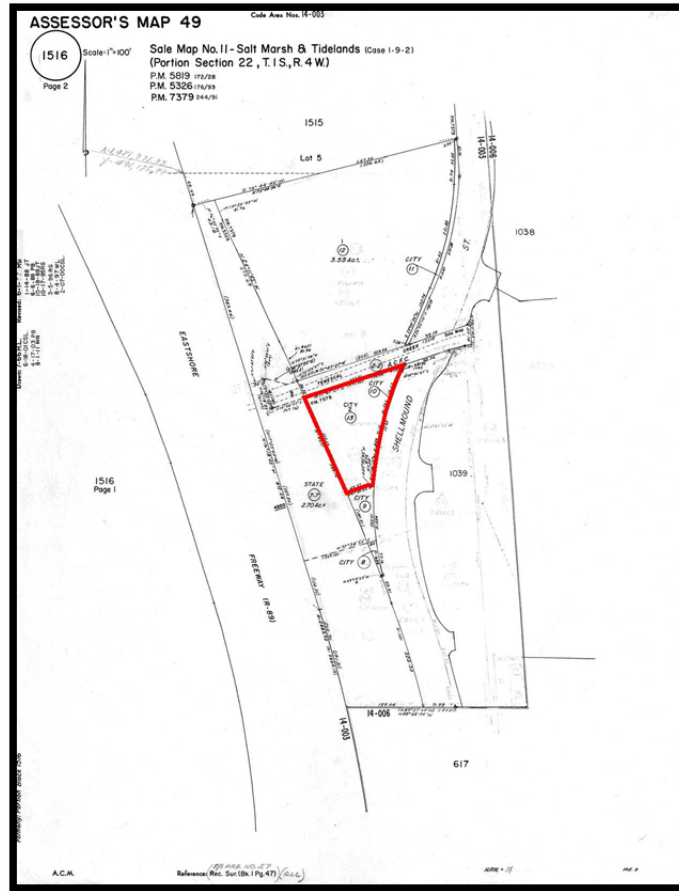
The City will be responsible for marketing the property to potential developers through either a competitive process such as a Request for Qualifications and Proposals or a negotiated purchase and sale transaction. The property will be sold at its fair market value or fair reuse value in its "as is" condition, based on the dictates of market conditions, the scope of development outlined by the City, and the development climate at the time of disposition. The determination of fair market value will consider the property's highest and best use. The determination of fair reuse value will consider the proposed use of the property and the value of the property with the conditions, covenants and development costs associated with the negotiated disposition. The City may also choose to dispose of the property by means other than a fee sale, such as a long-term ground lease.

Any disposition of the property shall be governed by a negotiated disposition and development agreement or lease disposition and development agreement that will govern the terms of the disposition, the development of the property, and the use of the property following development. The disposition agreement will obligate the developer to develop and use the property consistent with the 1976 Redevelopment Plan (Attachment 4), the 2010-2014 Implementation Plan (Attachment 3), the City's General Plan, and any applicable specific plans. The City is authorized to negotiate and enter into such agreements and dispose of property pursuant to such agreements in conformance with this Plan.

Further, as required by Assembly Bill 470 (Government Code Section 52200 *et seq.*)(Attachment 23), the City will be required to hold a public hearing and adopt findings that the sale or lease of South Bayfront Site B will assist in the creation of "economic opportunity" as defined.

Property for Immediate Sale

8. Shellmound Street Lot



Date of Acquisition: 1994

Value of Property at Acquisition: \$515,000 (Approximately)

Estimated Current Value: Approximately \$1 million to \$2.5 million (\$40 to \$100 per square foot, based on market conditions)

Purpose for Which Property was Acquired: Commercial development

Redevelopment Project Area: 1976 Emeryville Redevelopment Project Area

Parcel Description

Size: 25,756 square feet

APN: 049-1516-013

The property referred to as the Shellmound Street Lot is located at 5151 Shellmound Street just south of the Marriot Courtyard hotel and across Shellmound Street to the west of the Bay Street retail and residential complex in southwestern Emeryville. The parcel is triangular in configuration and bordered by Interstate 80 to the west and south, the Marriott Courtyard hotel to the north (Temescal Creek runs in an easement between the Courtyard and the subject property), and Shellmound Street to the east. The parcel is burdened by a 25 foot wide utility easement on its west edge and a 20 foot wide utility easement on its north edge and is presently vacant.

Current Zoning

General Plan Land Use Classifications:

- Mixed Use with Residential, defined as “One or more of a variety of residential and nonresidential uses, including but not limited to offices, retail and hotels. On larger sites, a mix of residential and non-residential uses is required; on smaller sites, a single use may be permitted;” and
- Regional Retail Overlay, which “is intended to reflect sites that are appropriate for retail uses that serve as a regional draw. Stores can be small in size (such as at Bay Street) or large (such as IKEA). For sites with this overlay, 100 percent of the building area can be retail, while the uses in the underlying classification are also permitted.”

General Plan Parks, Open Space and Public Services Designation: Greenway and Other Park Opportunity (portion of site).

Zoning Base District: MUR Mixed Use with Residential. “The purpose of the MUR zone is to implement the provisions of the General Plan applicable to the Mixed Use with Residential land use classification.”

Zoning Overlay District: RR Regional Retail Overlay. “The purpose of the RR overlay zone is to implement the provisions of the General Plan applicable to the Regional Retail Overlay land use classification.”

Zoning Overlay District: PP Pedestrian Priority Overlay. “The purpose of the PP overlay zone is to implement the provisions of the General Plan applicable to Pedestrian Priority Zones.”

History of Environmental Contamination

The Shellmound Street Lot is the last remaining undeveloped parcel of the former Judson Steel business, located on Shellmound Street just south of Temescal Creek and the Marriott Courtyard hotel. Environmental and

human/ecologic risk assessment of the property in 1997/8 found the presence of use-related contamination, but at levels that did not pose a threat to property reuse for commercial or industrial purposes.

According to file documents, the property was occupied since its earliest development in the late 1800s by Judson Manufacturing Company until its sale in 1986 to Peko-Wallsend. At the time of sale the Judson business was known as Judson Steel and consisted of 27 acres of land in the heavy industrial corridor between Interstate 80 and the Union Pacific railroad tracks to the east. After acquisition, Peko-Wallsend subdivided the parcel and sold 10.5 acres along its western boundary to Shellmound Partners. Shellmound Partners sold the subject site to the former Redevelopment Agency. The parcel has been vacant and unutilized since its acquisition, though it had been considered in the mid-2000s as a property suitable for redevelopment as an auto sales business.

The environmental condition of the subject property was initially physically evaluated in the late 1980s in association with its sale by Judson to successor entities. A second episode of testing was conducted prior to the acquisition of the site by the former Redevelopment Agency. Results of assessment showed the presence of historic use-related contaminants, primarily metals, in shallow site soil. Groundwater contamination was detected in places, though was deemed to have originated at off-site sources. Contamination migrating beneath the property was not identified as a hazard to site users or environmental health.

The Emeryville RDA retained SOMA Environmental Engineering Inc. in 1997 for the purposes of performing an evaluation of human health risk posed by contaminants and, based on this risk analysis, developing a plan for appropriate remedial action. The risk calculation was based on the utilization of the property for industrial or commercial purposes. Hazards were evaluated for several receptor scenarios, including exposure to a site worker (retail and/or industrial), a construction worker, and a child trespasser.

The evaluation by SOMA found that concentrations of use-related contaminants (PCBs, lead, chromium, arsenic and beryllium) posed a risk only under the construction worker exposure scenario. As such, SOMA evaluated mitigation options geared towards risk management, as opposed to actual contaminant removal. Based on the results of the evaluation of alternatives, SOMA recommended the administrative restriction of site uses by means of a deed restriction. The deed restriction was recorded in March 1998 and restricts development for future uses to only commercial, office, or industrial purposes.

Project documents are on file (hard and electronic copy) in City offices and archives. Reports and agency correspondence are accessible in the DTSC Envirostor internet-based information repository. A list of relevant project technical documents is presented below:

- SOMA, 1998. Removal Action Workplan, Shellmound Parcels I, II and III SOMA Environmental Engineering, Inc., February 2, 1998.
- DTSC, 1998. Deed Restriction, Department of Toxic Substances Control, March 1998

Potential for TOD and Other Planning Objectives

The site lies across the freeway from the mouth of Temescal Creek and within the Shellmound-40th Street regional retail shopping area, with good visibility from the freeway and access from Shellmound Street. Views of the Bay and San Francisco are visible from elevated positions on the site.

The South Bayfront Design Guidelines, adopted by the Redevelopment Agency in April 1997, call for the site to be developed with a one-story 8,000 square foot commercial building, with building frontage defining the street edge, a landscape buffer along the street and along Temescal Creek, and Bay views.

The General Plan Land Use Diagram designates the site as Mixed Use with Residential with a Regional Retail overlay, and also identifies it as a park opportunity site. Given the small size of the site, the General Plan would allow it to be developed with a single region-serving commercial use. The General Plan Parks, Open Space and Public Services map designates the site as the western terminus of the Temescal Creek Greenway, as well as a park opportunity site. Ideally, the western terminus of the east-west Greenway would be at the edge of the Bay, where Temescal Creek empties into the Emeryville Crescent, connecting to a pedestrian and bicycle path along the Bay shore via a bridge over the freeway. However, because the Emeryville Crescent is a wildlife refuge and part of the East Shore State Park, pedestrian and bicycle access to the shoreline is prohibited. Thus, the logical place to celebrate the western terminus of Temescal Creek and the east-west Greenway is on this site.

The Parks and Recreation Strategic Plan, adopted by the City Council on January 18, 2011, designates this park opportunity site as "Site H", and discusses it in the section on the Temescal Creek Greenway. This discussion includes: "Site H forms the western end of the Temescal Creek Greenway and is only the second time the creek is actually visible. This site should focus on Education/Learning in the form of interpretive signage and art continuing all along the greenway. This small linear site could also include seating and possibly a small climbing feature such as a boulder for Play for Children/ Challenge Activities."

The site is encumbered by an East Bay Municipal Utility District (EBMUD) pumping station in the northwest corner, a 25-foot EBMUD easement along the western edge (by the freeway), and a 10-foot EBMUD easement along the

northern edge (by the creek). Previous development proposals for the site have included a 20-foot wide publicly accessible open space area adjacent to the creek.

Development of the site with a small region-serving retail store and a linear park along the creek edge with interpretive signage, public art, seating, and a climbing feature for children, as well as an elevated platform for views of the Bay, would achieve the planning objectives articulated in the General Plan, South Bayfront Design Guidelines, and Parks and Recreation Strategic Plan.

History of Previous Development Proposals And Purpose For Which Property Was Acquired

The Shellmound Street Lot is a remnant piece from an acquisition of three (3) contiguous parcels known as Shellmound Ventures Lot I, II and III, acquired by the former Redevelopment Agency in 1994. A portion of the overall assemblage was sold to Caltrans for the widening of Interstate 80 in the aftermath of the Loma Prieta Earthquake and collapse of the adjacent Cypress Freeway; another portion was dedicated to the City for the construction of a new arterial roadway known as the Bay-Shellmound-40th Street Project; another portion was sold to Marriott for development of the Marriott Courtyard hotel; and another portion was sold to the Emeryville Redevelopment Project Partnership for the development of the Bay Street shopping mall. The acquisition of Shellmound Ventures I, II and III pre-dates the effectiveness of AB 1290, nevertheless the first Five Year Implementation Plan adopted in November 1994 identified the development of a Regional Retail Mall in the South Bayfront area of the City and this acquisition helped facilitate the transformation of the area from heavy industry to the mix of commercial/retail and residential uses in the area today.

In July 1997, the Planning Commission approved a conditional use permit and design review for development of a hotel (i.e. Marriott Courtyard Hotel) on the west side of Shellmound Street north of Temescal Creek, and, in addition to the hotel, the approvals allowed several retail buildings fronting on Shellmound Street, including one on this parcel. Subsequently, Marriott Corporation acquired the site north of the creek and constructed the hotel, but declined to pursue the retail buildings. This parcel, south of the creek, remained vacant and under the ownership of the Redevelopment Agency.

In January 2001, the Planning Commission approved a conditional use permit and design review for a three-story, 18,300 square foot office building on the site by Orient and Western, and a Disposition and Development Agreement (DDA) for the project was executed with the Redevelopment Agency in February 2001. A building permit application was submitted in March 2001. However, Orient and Western was subsequently found to be in default, the DDA was terminated, and a building permit was never issued.

At a City Council retreat in 2001, staff was given direction to pursue a new auto dealership to replace revenues lost with the departure of Weatherford BMW, and to increase sales tax revenues and general fund revenues for City services. Staff had discussions with several auto manufacturers about freeway-oriented sites for new car dealerships; the most promising was with McKeivitt Volvo, which proposed to relocate their new car showroom from downtown Berkeley to the Shellmound Street site.

Conceptual plans for the Volvo dealership were developed over the next two years, and, in May 2003, the Planning Commission approved a conditional use permit and design review for a triangular-shaped three-story building of about 12,000 square feet up to 88 feet in height. The Commission's approval was contingent upon City Council approval of a change to the Building Height Map from the 40-foot height district to the 95-foot height district; the Council passed an Ordinance amending the height map in June 2003. Subsequently, in January 2004, the Redevelopment Agency approved a Disposition and Development Agreement for the project with representatives of McKeivitt Volvo. Construction drawings were submitted to the City for "informal review" and comments were provided to the applicant in April 2004. Due to various delays experienced by the applicant, the Planning Commission approved a one-year extension of the conditional use permit and design review approvals in August 2004, and the Redevelopment Agency subsequently approved several amendments to the DDA performance schedule. A building permit application was eventually submitted in December 2004, and the permit was issued in December 2005. However, no construction ever ensued, the building permit expired, the DDA was eventually terminated, and the applicant received a refund of building permit fees.

