

CITY OF OAKLAND

Interoffice Letter

City Manager

Henry Gardner

April 20, 1993

To: _____ Attention: _____ Date: _____

City Attorney's Office

From: _____

ORDINANCE REDUCING THE PORT AREA - RE 22 ACRE OAKPORT PROPERTIES

Subject: _____

The City Attorney's Office recommends that the City Council consider the introduction and first reading of an ordinance to reduce the Port Area by approximately 22 acres.

On or about December 15, 1992, the City Council of the City of Oakland and the Board of Port Commissioners of the City of Oakland entered into a Memorandum of Understanding Regarding the Transfer of Certain Port Property to the City Council ("MOU") which set forth terms and conditions for the transfer of approximately 30 acres of land from the Board's to the Council's control and jurisdiction. However, City and Port staff concur that it is in both the City's and the Port's mutual interests to exclude the smaller parcel of approximately 8 acres from the transfer. The exclusion of the smaller parcel from the transfer will be reflected in an amendment to the MOU for which staff will seek authorization to enter into from the City Council sometime in the near future.

The MOU also set forth a procedure for determining the Transfer Price for the transfer of the subject property. The procedure required that the property be appraised at its highest and best use. After appropriate environmental investigation to determine the presence of any hazardous substances, City and Port staff negotiated an Estimated Cost of Remediation for the property. The Estimated Cost of Remediation was then deducted from the appraised value to determine the Transfer Price. The Estimated Cost of Remediation was established at \$125,000, and the Transfer Price for the approximately 22 acres to be transferred to the City was determined by both City and Port staff to be \$8,875,000.

Once the Transfer Price has been determined, the MOU requires the Port to consider the introduction and first reading of an ordinance relinquishing control and jurisdiction over the property to the City upon the satisfaction of all terms and conditions of the MOU pertaining to the transfer. After the Port's first reading of its ordinance, the City Council is to consider the introduction and first reading of an ordinance reducing the Port Area upon the satisfaction of the same terms and conditions. The Board of Port Commissioners considered the introduction and first reading of its ordinance on April 20, 1993, and we recommend that the City Council also consider the introduction and first reading of the Council's ordinance at its April 20, 1993 meeting. A copy of the proposed Council ordinance is on file in the City Clerk's Office.

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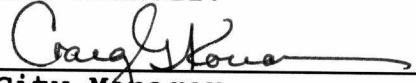
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The Board of Port Commissioners will consider the second reading of the Port's ordinance on May 4, 1993, but the City Council will not consider the second reading of the Council ordinance until July 6, 1993 to allow the Port to complete and file a subdivision map of the property.

JAYNE W. WILLIAMS,


City Attorney

Approved for Forwarding to
the Council:


City Manager

Attorney Assigned:
Donnell W. Choy