

Hillmer, J H

From: John Guillory [johnlguillory@gmail.com]
Sent: Thursday, May 01, 2014 12:00 PM
To: Hillmer, J H
Subject: Re: FW: Timeline for Sears Assignment of DDA Approval

Jens: Thank you. Do we have Diane's Attention? If so let's the lawyers sort this out. The phone number we have for Diane is 510-238-6839, is this correct? Can you please provide me with her email address so the Melinda Jesse-Smith, the Sear's lawyer, can forward her communications directly to her. Best JG

On Thu, May 1, 2014 at 11:47 AM, Hillmer, J H <JHillmer@oaklandnet.com> wrote:

John:

In response to your email, we are planning to go to the Closed Session on May 20, 2014. We are telling the City Council that Sears has executed the amendment extending the term and that Sears desires to transfer the LDDA to Strada.

With regard to the amendment, we need to get it executed as soon as possible, certainly before the report goes to the City Administrator next Thursday. If you would like to modify any of the recitals of the amendment, please direct your requested changes to Dianne Millner of the City Attorney's Office as soon as possible. Please copy me on that email. I hope that we can resolve any outstanding issues as expeditiously as possible and get the document executed.

Please let me know if you have any other questions.

Jens

Jens Hillmer

Urban Economic Coordinator

Office of Neighborhood Investment

City of Oakland

250 Frank H. Ogawa Plaza, Ste. 5313

Oakland, CA 94612

Tel.: 510-238-3317

Jhillmer@oaklandnet.com

From: John Guillory [mailto:johnlguillory@gmail.com]
Sent: Thursday, May 01, 2014 11:40 AM
To: Hillmer, J H
Subject: Fwd: FW: Timeline for Sears Assignment of DDA Approval

Here it the note. Please take a look. JG

----- Forwarded message -----

From: John Guillory <johnlguillory@gmail.com>
Date: Wed, Apr 30, 2014 at 4:53 PM
Subject: Re: FW: Timeline for Sears Assignment of DDA Approval
To: "Hunter, Gregory" <GHunter@oaklandnet.com>

Greg & Jen: The Sear's team intend to comply with the schedule you provided. I have a couple of calls into you seeking clarification on the following points. We have re-read your email and it stated that the document has to be signed by Monday...is that correct or is it that the form needs to be agreed upon by then? If it has to be signed, we may need to tweak the recitals a bit and we need to send a clarifying email to Buyer's counsel. Please advise. Best JG

On Wed, Apr 23, 2014 at 5:34 PM, Hunter, Gregory <GHunter@oaklandnet.com> wrote:

From: Hillmer, J H
Sent: Wednesday, April 23, 2014 11:41 AM
To: Hunter, Gregory
Subject: Timeline for Sears Assignment of DDA Approval

Gregory:

Here is the schedule for approval of the transfer of the Sears LDDA to Strada:

April/May - Sears to execute LDDA amendment to extend time for project completion from October 2010 to October 2016. A copy of the last draft of the amendment is attached to this email.

We need this executed before we go to the Council in closed session.

May 5, 2014 – Submittal of Closed Session Report to City Attorney's Office/City Administrator's Office for review and approval – *12 days*

May 16, 2014 – Closed Session Report gets printed and distributed to City Council

May 20, 2014 – Presentation at Closed Session recommending approval of the LDDA transfer to Strada.

May 21 – June 1, 2014 – Preparation of Report for Community and Economic Development Committee (CEDC) to recommend approval of the LDDA transfer to Strada – *12 days*

June 2, 2014 – Submit CEDC Report recommending approval of LDDA transfer to Strada to City Administrator's Office with all sign-offs from Budget and the City Attorney's Office

June 24, 2014 – Presentation at Community and Economic Development Committee (CEDC) recommending approval of LDDA assignment

July 1, 2014 – City Council Meeting: First Reading of Ordinance approving LDDA transfer

July 15, 2014 – City Council Meeting: Second Reading of Ordinance

Please let me know if you have any questions.

Jens

Jens Hillmer

Urban Economic Coordinator

Office of Neighborhood Investment

City of Oakland

250 Frank H. Ogawa Plaza, Ste. 5313

Oakland, CA 94612

Tel.: 510-238-3317

Jhillmer@oaklandnet.com

Hillmer, J H

From: Hillmer, J H
Sent: Tuesday, April 22, 2014 10:14 AM
To: 'jguill1043@aol.com'
Cc: Hunter, Gregory
Subject: LDDA

Hi John:

At Gregory's request, here is the process that we are currently considering:

Sears executes amendment to extend LDDA from October 2010 to October 2016 as approved by the City Council last year.

Staff goes to Closed Session on May 20th to seek approval of a transfer of the LDDA from Sears to Strada

Staff goes to Community and Economic Development Committee on June 10th, 2014 to seek approval for LDDA transfer

Staff goes to City Council on June 17, 2015 for first reading of the Ordinance

Staff returns to City Council on July 1 for second reading of the Ordinance

Gregory would like to discuss this schedule, etc. with you at your earliest convenience.

Jens

Jens Hillmer
Urban Economic Coordinator
Office of Neighborhood Investment
City of Oakland
250 Frank H. Ogawa Plaza, Ste. 5313
Oakland, CA 94612
Tel.: 510-238-3317
Jhillmer@oaklandnet.com

Hillmer, J H

From: Hillmer, J H
Sent: Monday, November 18, 2013 9:36 AM
To: 'jguill1043@aol.com'; 'AlanDones@aol.com'
Cc: Hunter, Gregory
Subject: FW: LDDA Amendment and Transfer and Assignment Agreement
Attachments: LDDA Amendment-Final-Draft.docx; Transfer and Assignment-Final-Draft.docx

Gentlemen:

Since I have not heard from anyone since I transmitted these documents to John in September, I want to resend the document again. It is important that we finalize these documents as soon as possible in order to ensure a smooth transfer of the properties at the corner of Telegraph and Thomas L. Berkley Way.

Please let me know if you have any questions.

Thank you!

Jens Hillmer
Urban Economic Coordinator
~~Office of Neighborhood Investment~~
City of Oakland
250 Frank H. Ogawa Plaza, Ste. 5313
Oakland, CA 94612
Tel.: 510-238-3317
Jhhillmer@oaklandnet.com

From: Hillmer, J H
Sent: Wednesday, September 18, 2013 3:49 PM
To: 'jguill1043@aol.com'
Cc: Hunter, Gregory
Subject: FW: LDDA Amendment and Transfer and Assignment Agreement

Hi John:

I just want to make sure that you received the attached documents that I sent to you last week. Please let me know if you have any questions or comments.

Thank you!

Jens

Jens Hillmer
Urban Economic Coordinator
Office of Neighborhood Investment
City of Oakland
250 Frank H. Ogawa Plaza, Ste. 5313
Oakland, CA 94612
Tel.: 510-238-3317
Jhhillmer@oaklandnet.com

From: Hillmer, J H
Sent: Thursday, September 12, 2013 4:00 PM
To: 'jguill1043@aol.com'
Subject: LDDA Amendment and Transfer and Assignment Agreement

Dear John:

I hope that all is well with you. I have attached for your review and forwarding to Jim Terrell of Sears the first drafts of the Amendment to the LDDA between the City and Sears, and the Transfer and Assignment Agreement between Sears, TB2 and consented to by the City of Oakland. Once you have approved these documents, I would like to forward them to the principal of TB2. Please let me know if you have any questions.

Thank you!

Jens Hillmer
Urban Economic Coordinator
Office of Neighborhood Investment
City of Oakland
250 Frank H. Ogawa Plaza, Ste. 5313
Oakland, CA 94612
Tel.: 510-238-3317
Jhhillmer@oaklandnet.com

Hillmer, J H

From: Hillmer, J H
Sent: Tuesday, July 10, 2012 4:58 PM
To: 'John Guillory'
Subject: Sears

Hi John:

I am just checking in with you about the term sheet. Do you or Jim have any questions or comments? Please give me a call and let me know if there is anything else that you need right now.

Jens

Hillmer, J H

From: Hillmer, J H
Sent: Monday, July 07, 2014 2:01 PM
To: 'John Guillory'
Cc: Hunter, Gregory
Subject: RE: Dumpster Permits

Hi John:

I hope you are doing well. I believe that the City has contracted out its garbage services to Waste Management of Alameda County. I think that you can just call them at (510) 613-8710 to subscribe to service or to request a cart. I am not aware of any permits necessary, unless you want to place the container in a metered on-street parking space or on the sidewalk in which case you should get an obstruction permit. Call (510) 238-3443 for more information.

Jens

Jens Hillmer
Urban Economic Coordinator
Economic & Workforce
Development Department
Project Implementation Division
City of Oakland
250 Frank H. Ogawa Plaza, Ste. 5313
Oakland, CA 94612
Tel.: 510-238-3317
Jhhillmer@oaklandnet.com

From: John Guillory [<mailto:johnlguillory@gmail.com>]
Sent: Monday, July 07, 2014 1:18 PM
To: Hillmer, J H
Cc: Glynn, John (DFM-161)
Subject: Dumpster Permits

Jens; When you get a moment. We need some guidance. Who is the right person to speak too about the proper permit, location and approval process for garbage dumpster permits there at the City. JG

Memo

To: Gregory Hunter
From: Jens Hillmer
CC:
Date: November 21, 2014
Re: Meeting with Sears Representatives in Chicago

Attached please find various background documents regarding the Retail Galleria Mall Proposal for the Sears Department Store.

The following subjects should be discussed with Sears:

1. The Management of the Department Store

This main issue is the display windows on Telegraph Ave, Thomas L. Berkeley Way and Broadway. When will Sears turn all of these windows into attractive showcases for their products?

2. Lease Disposition and Development Agreement

Sears has not responded to our latest offer. The issue is money. Jim Terrell believes that since the Agency owes him \$1.6 million, he should not have to make any additional payments to the Agency for an extension of his development rights at the 2000-2016 Telegraph Avenue/490 Thomas L. Berkeley Way site. We have explained our position to John on several occasions but not received any concrete counteroffer. A copy of the LDDA is attached for your reference.

3. Response to MTC/ABAG RFP

The proposal submitted by Dones includes Parcel 4 (1911 Telegraph Avenue). We are preparing a new RFP for the site. SUDA should respond if they are seriously considering the incorporation of this site.

4. Future Plans

In the event that the MTC/ABAG proposal does not receive a favorable response, we need to discuss the general plans for the department store. I have attached JRDV's and SUDA's proposal for a Galleria Mall. I have also attached Conley Consulting Services initial review of SUDA's proposal and I think that we should ask the following questions:

- a. We need a clear identification of the development team roles and responsibilities. SUDA (with an experienced architect that specializes in retail and a solid contractor) can handle the construction piece, but I do not believe that SUDA has sufficient experience to handle the tenancing of the building. Will Sears take the lead, or, preferably, will they bring a retail consultant or co-developer on board to handle this critical aspect of the project.
- b. Securing major tenant agreements and finalizing design. Who is SUDA targeting? What is the schedule? How will a retail mall be positioned in today's changing retail environment?

- c. Realistic revenue projections based on tenant agreements. Has SUDA engaged retailers other than Sears to develop realistic income projections?
 - d. Financing Plan. We need a refined financing plan that may not include Agency assistance. Please review Section II of CCG's report for important questions to be asked in this regard.
 - e. ~~Schedule. When is this project getting off the ground? They have talked about this for 3 years and made little progress in terms of figuring out who the retailers will be.~~
-
-
-

Hillmer, J H

From: Hillmer, J H
Sent: Tuesday, June 26, 2012 10:31 AM
To: 'John Guillory'
Cc: Hunter, Gregory; Lane, Patrick
Subject: Term Sheet for Sears DDA
Attachments: Term Sheet for Sears DDA June 26 2012.doc

Hi John:

Attached please find the first draft of a term sheet for the contemplated amendment to the existing LDDA for your review and comment. This document represents our first attempt to delineate the various deal points that need to be considered going forward. Generally, we no longer need a Lease Disposition and Development Agreement since the City now owns the site outright. Once we have reached agreement on the terms, we will recommend approval to the City Council. Please note that this document has not been reviewed by the City Attorney or the City Administrator's Office.

We look forward to your response.

Jens

Disposition and Development Agreement ("DDA")
Term Sheet
DRAFT #1

Parties: City of Oakland ("Seller") and Sears Development Corporation
("Developer") (collectively referred to as the "Parties")

Real Property

Address: 2000-2016 Telegraph Avenue and 490 Thomas L. Berkley Way (the
"Property")

Type of Agreement: A DDA, which is a restated and amended DDA of the Lease Disposition and Development Agreement (LDDA) that was executed between the Parties on October 18, 2005. A Lease for the property is no longer necessary as the City now holds clear title to the Property.

Consideration: None.

**Development
Requirements:**

The DDA requires Developer to commence construction of a new Sears Auto Center, related surface parking and other facilities within a reasonable period of time not to exceed 24 months after execution of the DDA.

**Developer
Schedule
Of Performance:**

Item	Dates
<ul style="list-style-type: none">• Project Description• Project Schematic Drawings• A description of the specific financial structure and legal structure of the proposed development team, including a written description of the specific and general roles, responsibilities, and obligations of Developer, Developer's members and partners, and any other entity participating in the legal entity established by Developer for purposes of developing the Project• A detailed description, including references, of the Project development team's experience	360 days prior to the issuance of a building permit.
<ul style="list-style-type: none">• Statement of no litigation involving Developer	270 days prior to the issuance of a building

<ul style="list-style-type: none"> • Project Financing Plan, including development cost estimate • A detailed development schedule for the construction of all Project components. 	permit.
<ul style="list-style-type: none"> • Final Design plans for the Project 	90 days prior to the issuance of a building permit
<ul style="list-style-type: none"> • A copy of the issued building permit for the Project • Copy of executed construction contract for the Project 	30 days prior to commencement of construction
<ul style="list-style-type: none"> • Construction Bonds, only if required by a lender to the Project 	5 days prior to the Commencement of Construction

Date of Property Transfer:

Transfer of the Property in its “As-is” condition shall occur on the later of a) satisfaction of all conditions necessary to close of escrow as outlined below, or b) within 30 days of the date of executing the DDA (the “Closing Date”).

Conditions to Developer's Obligations:

- (i) Title Company shall be irrevocably committed to issue to Developer the Title Policy;
- (ii) City shall have deposited into escrow all documents and funds required to be so deposited by City pursuant to the DDA in order to close escrow;
- (iii) City shall not be in material default in the performance of any of its covenants or other obligations under the DDA;
- (iv) City shall deliver to Escrow Agent a certification of non-foreign status in the form required of a transferor pursuant to Internal Revenue Code (“IRC”) Section 1445, and the Regulations thereunder, and a California Withholding Exemption Certificate (Form 590);
- (v) All of City's representations and warranties set forth in the DDA shall be true as of the Closing Date;
- (vii) No litigation exists challenging any CEQA matters with respect to the Property and/or the DDA.
- (viii) City has provided and executed any and all documents that may be reasonably required by Developer Escrow Agent to close escrow; and

Conditions to City's Obligations:

- (i) Developer shall have deposited all documents and funds required to be so deposited into escrow by Developer pursuant to the DDA in order to close escrow;
- (ii) No litigation exists challenging any CEQA matters with respect to the Property and/or the DDA;
- (iii) Developer shall not be in material default in the performance of any of its covenants or other obligations under the DDA;
- (iv) All of Developer's representations and warranties set forth in the DDA shall be true as of the Closing Date; and
- (v) Developer has provided and executed any and all documents that may be reasonably required by City or Escrow Agent to close escrow.

Closing Costs:

City and Developer shall each pay closing costs and transfer taxes as customary in Alameda County. Accordingly, City shall pay the County of Alameda transfer tax and one-half (1/2) of the City of Oakland transfer tax, and Developer shall pay one-half (1/2) of the City of Oakland transfer tax, and pay all title and escrow fees associated with the close of escrow.

Prorations. Real property taxes, general and special taxes, and installments of assessments with respect to the Property shall not be prorated, but shall be the responsibility of Developer.

Transfer

Restrictions:

Developer shall not make or permit any Transfer of the Property, either voluntary or by operation of law, without the prior written consent of City, which shall not be unreasonably withheld, conditioned or delayed. City approval of a Transfer shall not be required in connection with the following:

- (i) A Transfer that is undertaken by a member of Developer for estate planning purposes;
- (ii) A Transfer to a limited liability company, partnership, corporation, or other entity or entities or individuals in which Developer retains a majority of the ownership or beneficial interest and retains management and control of the transferee entity;
- (iii) The conveyance or dedication of any portion of the Property to a Government Agency, or granting of easements to facilitate construction of the Project;
- (iv) Any requested assignment for financing purposes including the grant of a deed of trust to secure the funds necessary for construction and permanent financing of the Project; or

(v) A transfer by Developer to Sears Holdings Corporation ("Sears"), or any affiliate thereof. For purposes hereof, affiliate is defined as any entity in which Sears has a controlling interest.

Defaults and Remedies:

The occurrence of any of the following shall constitute a Developer default under the DDA:

- (i) Failure or delay by Developer to perform any term or provision of the DDA.
- (ii) Failure to commence construction within 24 months of the date of DDA execution.
- (iii) Developer's interest in the DDA or in all or a part of the Project is taken by process of law directed against Developer, or becomes subject to any attachment at the instance of any creditor of or claimant against Developer, and such attachment is not discharged within one hundred and twenty (120) calendar days or such additional time as necessary if Developer is proceeding diligently and in good faith to have the attachment discharged.
- (iv) A general assignment by Developer, or any guarantor of the DDA, for the benefit of creditors without consent of City.
- (v) The filing by or against Developer, or any guarantor, of any proceeding under any bankruptcy or insolvency law, unless (in the case of an involuntary proceeding) the proceeding is dismissed within one hundred and twenty (120) calendar days or such additional time as necessary if Developer is proceeding diligently and in good faith to have the involuntary action dismissed;
- (vi) The appointment of a trustee or receiver to take possession of all or substantially all the assets of Developer, or any guarantor, unless possession is unconditionally restored to Developer, or such guarantor, within one hundred and twenty (120) calendar days and the trusteeship or receivership is dissolved, or within such additional time as necessary if Developer is diligently and in good faith proceeding to have the action dismissed; or
- (vii) Any execution or other judicially authorized seizure of all or substantially all the assets of Developer, or any guarantor, or of Developer's interest in the DDA, unless that seizure is discharged within one hundred and twenty (120) calendar days or such additional time as necessary if Developer is proceeding diligently and in good faith to have the seizure discharged.

The occurrence of any of the following shall constitute a City default under the DDA:

- (i) Failure to deliver title to the Property upon satisfaction of all conditions precedent to such Property title transfer.

- (ii) Failure or delay by City to perform any term or provision of the DDA.

Remedies

- (i) In the event that the City fails to deliver title to the Property to Developer upon satisfaction of all conditions precedent to such Property title transfer, City shall pay to Developer an amount not to exceed One Million, Six Hundred Thousand Dollars (\$1,600,000).
- (ii) In the event of a Developer default prior to the commencement of construction, City shall have the right to exercise its Repurchase Rights by delivering payment to Developer in the amount that is the lesser of 1) One Million, Six Hundred Thousand Dollars (\$1,600,000), which amount, beginning on the Effective Date, shall be increased annually by Consumer Price Index (CPI) distributed by the Bureau of Labor Statistics (BLS) for the Consolidated Metropolitan Statistical Area (CMSA) covering San Francisco - Oakland - San Jose with a minimum annual increase of 2% and a maximum annual increase of 5%, or 2) the then Fair Market Value of the Property. City shall not be required to subordinate its Repurchase Rights in the event of a Developer default to any lien or encumbrance secured by the Property. Upon completion of Project construction, City's Repurchase Rights shall automatically terminate. City agrees to execute, deliver and record evidence of such automatic termination.

• Hillmer, J H

From: Hillmer, J H
Sent: Friday, May 11, 2012 4:49 PM
To: 'John Guillory'
Subject: RE: 2000-2016 TELEGRAPH AVE AND 490 THOMAS L. BERKELEY WAY

Yes, that would be the option. It is my understanding though that we won't be able to get anything before the Council until the "clawback" issue has been resolved.

From: John Guillory [mailto:jguill1043@aol.com]
Sent: Friday, May 11, 2012 4:46 PM
To: Hillmer, J H
Subject: Re: 2000-2016 TELEGRAPH AVE AND 490 THOMAS L. BERKELEY WAY

If that is what it takes Sears wants the deed to the site

John L. Guillory

On May 11, 2012, at 1:38 PM, "Hillmer, J H" <JHillmer@oaklandnet.com> wrote:

I would like to know which of the two options Sears wants to pursue as this will determine the type of agreement we will use. It sounds like you want to go for the DDA option that would include development of an Auto Center, which may include potential future modifications to the project by adding retail and parking.

Jens

From: John Guillory [mailto:jguill1043@aol.com]
Sent: Friday, May 11, 2012 4:33 PM
To: Hillmer, J H
Subject: Re: 2000-2016 TELEGRAPH AVE AND 490 THOMAS L. BERKELEY WAY

While I understand the dilemma what do you you from Sears ?

John L. Guillory

On May 11, 2012, at 1:10 PM, "Hillmer, J H" <JHillmer@oaklandnet.com> wrote:

Hi John:

Just to clarify! You would first get a DDA that has to be approved by the City Council, and then the Deed to the property. Regarding the floor and the opportunity for FMV, I understand your client's goal and I will communicate that to Gregory.

To make things more difficult, we are currently facing a situation in which the property was transferred to the City last January. Since we received the "claw-back" letter from the State on April 23rd, we have been instructed (for the time being) not to enter into any third-party agreements for any of the properties that were transferred by the Agency to the City until we have a better understanding of our obligations vis-à-vis the State in this

regard. This could delay approval of a DDA for a while. We need to discuss this with Gregory.

Jens

From: John Guillory [mailto:jguill1043@aol.com]

Sent: Friday, May 11, 2012 4:01 PM

To: Hillmer, J H

Subject: Re: 2000-2016 TELEGRAPH AVE AND 490 THOMAS L. BERKELEY WAY

I think the preference is a deed, after that a DDA that is clean. If you have to have a buy back, your need is a floor of 1.6 million and Sear is coming to want the floor plus the opportunity of FMV

John L. Guillory

On May 11, 2012, at 12:21 PM, "Hillmer, J H" <JHillmer@oaklandnet.com> wrote:

Hi John:

I am following up on our earlier conversations this week regarding which approach your client would like to take with regard to the development of the property located at 2000-2016 Telegraph Ave and 490 Thomas L. Berkeley Way. Sears' decision is important since it will determine what document we should prepare. Please advise! Have a good weekend!

Jens

Jens Hillmer
Urban Economic Coordinator
City of Oakland
Office of Neighborhood Investment
250 Frank H. Ogawa Plaza, Suite 5313
Oakland, CA 94612

Tel.: (510) 238-3317

Fax: (510) 238-3691

E-mail Address: jhillmer@oaklandnet.com

Hillmer, J H

From: Hillmer, J H
Sent: Friday, May 11, 2012 4:38 PM
To: 'John Guillory'
Subject: RE: 2000-2016 TELEGRAPH AVE AND 490 THOMAS L. BERKELEY WAY

I would like to know which of the two options Sears wants to pursue as this will determine the type of agreement we will use. It sounds like you want to go for the DDA option that would include development of an Auto Center, which may include potential future modifications to the project by adding retail and parking.

Jens

From: John Guillory [<mailto:jguill1043@aol.com>]
Sent: Friday, May 11, 2012 4:33 PM
To: Hillmer, J H
Subject: Re: 2000-2016 TELEGRAPH AVE AND 490 THOMAS L. BERKELEY WAY

While I understand the dilemma what do you you from Sears ?

John L. Guillory

On May 11, 2012, at 1:10 PM, "Hillmer, J H" <JHillmer@oaklandnet.com> wrote:

Hi John:

Just to clarify! You would first get a DDA that has to be approved by the City Council, and then the Deed to the property. Regarding the floor and the opportunity for FMV, I understand your client's goal and I will communicate that to Gregory.

To make things more difficult, we are currently facing a situation in which the property was transferred to the City last January. Since we received the "claw-back" letter from the State on April 23rd, we have been instructed (for the time being) not to enter into any third-party agreements for any of the properties that were transferred by the Agency to the City until we have a better understanding of our obligations vis-à-vis the State in this regard. This could delay approval of a DDA for a while. We need to discuss this with Gregory.

Jens

From: John Guillory [<mailto:jguill1043@aol.com>]
Sent: Friday, May 11, 2012 4:01 PM
To: Hillmer, J H
Subject: Re: 2000-2016 TELEGRAPH AVE AND 490 THOMAS L. BERKELEY WAY

I think the preference is a deed, after that a DDA that is clean. If you have to have a buy back, your need is a floor of 1.6 million and Sear is coming to want the floor plus the opportunity of FMV

John L. Guillory

On May 11, 2012, at 12:21 PM, "Hillmer, J H" <JHillmer@oaklandnet.com> wrote:

Hi John:

I am following up on our earlier conversations this week regarding which approach your client would like to take with regard to the development of the property located at 2000-2016 Telegraph Ave and 490 Thomas L. Berkeley Way. Sears' decision is important since it will determine what document we should prepare. Please advise! Have a good weekend!

Jens

Jens Hillmer
Urban Economic Coordinator
City of Oakland
Office of Neighborhood Investment
250 Frank H. Ogawa Plaza, Suite 5313
Oakland, CA 94612

Tel.: (510) 238-3317

Fax: (510) 238-3691

E-mail Address: jhillmer@oaklandnet.com

Hillmer, J H

From: Hillmer, J H
Sent: Friday, May 11, 2012 3:21 PM
To: 'jguill1043@aol.com'
Cc: Hunter, Gregory
Subject: 2000-2016 TELEGRAPH AVE AND 490 THOMAS L. BERKELEY WAY

Hi John:

I am following up on our earlier conversations this week regarding which approach your client would like to take with regard to the development of the property located at 2000-2016 Telegraph Ave and 490 Thomas L. Berkeley Way. Sears' decision is important since it will determine what document we should prepare. Please advise! Have a good weekend!

Jens

Jens Hillmer
Urban Economic Coordinator
City of Oakland
Office of Neighborhood Investment
250 Frank H. Ogawa Plaza, Suite 5313
Oakland, CA 94612

Tel.: (510) 238-3317

Fax: (510) 238-3691

E-mail Address: jhillmer@oaklandnet.com

Hillmer, J H

From: Hillmer, J H
Sent: Wednesday, May 09, 2012 2:54 PM
To: 'jguill1043@aol.com'
Subject: RE: 2000-2016 TELEGRAPH AVE AND 490 THOMAS L. BERKELEY WAY

John:

I believe we would make the payment of \$1.6 million to Sears.

Jens

From: jguill1043@aol.com [mailto:jguill1043@aol.com]
Sent: Wednesday, May 09, 2012 2:32 PM
To: Hillmer, J H
Subject: Re: 2000-2016 TELEGRAPH AVE AND 490 THOMAS L. BERKELEY WAY

Jens: Please clarify one thing under Option B, what happens to the 1.6 million the City owes Sears? JG

-----Original Message-----

From: Hillmer, J H <JHillmer@oaklandnet.com>
To: jguill1043 <jguill1043@aol.com>
Sent: Wed, May 9, 2012 12:17 pm
Subject: 2000-2016 TELEGRAPH AVE AND 490 THOMAS L. BERKELEY WAY

Hi John:

As a follow-up to our conversation this morning, here are the two options that we have, subject to input from our attorneys and approval by the City Council, in pursuing a development on the property located at 2000-2016 Telegraph Avenue and 490 Thomas I. Berkeley Way.

- A. If your client would like to continue to pursue the development of a Sears Auto Center on the property as contemplated in the LDDA between Sears Development Company and the former Redevelopment Agency of the City of Oakland, we would recommend to the City Council for approval an amended and restated LDDA (DDA) between the parties to 1) reflect the fact that the City now owns the property and can transfer it directly to Sears without going through a lease period first (hence we would likely call it a Disposition and Development Agreement (DDA) and no longer a Lease Disposition and Development Agreement (LDDA)), 2) effect the transfer of the property to your client within 30 days (or some other mutually agreed upon date) of the date of execution of the amended and restated DDA, with the understanding that your client would have to submit certain items (proof of financing, building permits, etc.) within agreed-upon timeframes prior to the start of project construction. It appears to me that the Forest City EIR would be sufficient to achieve CEQA compliance under this scenario and allow the City Council to approve the agreement, although my interpretation will have to be confirmed by the City Attorney's Office.
- B. In the event that your client no longer wishes to pursue the development of an automotive service facility and instead would like to develop a different project on the property, then we could recommend to the City Council that we enter into a new ENA for this new project. Upon Council approval and execution of a new ENA, your client would have to comply with all relevant CEQA requirements, after which we are in a position to recommend a new DDA between the City and Sears for transfer of the property to the City Council at some point in the future. Under this scenario, your client would not get possession of the property until CEQA compliance and Council approval of a new DDA for a new project has been achieved.

Please call me if you have any questions.

Hillmer, J H

From: Hillmer, J H
Sent: Thursday, March 10, 2011 10:25 AM
To: 'jguill1043@aol.com'
Cc: Hunter, Gregory
Subject: Term Sheet for Sears
Attachments: Term Sheet for Sears.doc

Hi John:

I hope all is well. Per Gregory's request in anticipation of tomorrow's meeting on the LDDA Amendment, I have attached a term sheet proposal for your review and consideration. We can discuss the details tomorrow. If you have any questions, please call me at 510.238.3317.

Jens

TERM SHEET PROPOSAL
Sears Development Company
2000-2016 Telegraph Avenue & 490 Thomas L. Berkeley Way

Item	Dates
Submittal of comprehensive development strategy:	October 2012
<ul style="list-style-type: none"> • Project Description • Project Financing Plan • Schematic Drawings • Project Schedule <p>If Agency rejects any component of the development strategy and Sears does not address issue satisfactorily, Agency can reject development strategy and terminate</p>	
LDDA	
Deadline to substantially complete project construction	October 2014
<p>Payments for extension: \$50,000 for completion and submittal of a feasible development strategy.</p> <p>If Agency accepts the development strategy, it will ask Sears for another \$50,000 for the time required to complete project construction</p>	<p>At execution of 1st Amendment</p> <p>October 18, 2012</p>

Hillmer, J H

From: Hillmer, J H
Sent: Thursday, May 27, 2010 8:50 AM
To: 'John L. Guillory'
Subject: RE: Sear's Window Project

John:
You should explain for starters why the Auto Center did not or will not work on the site. Remember, that is the reason for our eminent domain action. Next, you should explain what you are looking at right now for future development of the store and the site. You can state that you explored parking for the site and that it does not work due to the site configuration. Whatever you think the Council should hear on this should be put in writing by you.

Jens

From: John L. Guillory [mailto:johnlguillory@gmail.com]
Sent: Thursday, May 27, 2010 8:49 AM
To: Hillmer, J H
Subject: Re: Sear's Window Project

~~No. The concept that we want to explore is how this site combined with the store site becomes the sear~~
galleria. By eat of example we can show that a parking structure on the site doesn't work.

Sent from my iPhone

On May 27, 2010, at 8:21 AM, "Hillmer, J H" <JHillmer@oaklandnet.com> wrote:

Hi John:

I understand. However, we need to give the City Council an explanation for the delay. I think that your efforts to reposition the store is the reason for you not proceeding with the development of the Telegraph property, right?

Jens

From: John L. Guillory [mailto:johnlguillory@gmail.com]
Sent: Wednesday, May 26, 2010 5:20 PM
To: Hillmer, J H
Subject: Re: Sear's Window Project

Jens: that may work. Here is the problem I see for item 1. A lot of the current thinking for the store and the site is a function of the opa and the extention ltr doesn't cover that

Sent from my iPhone

On May 26, 2010, at 4:23 PM, "Hillmer, J H" <JHillmer@oaklandnet.com> wrote:

John:

I will rewrite the letter right now and submit it for Gregory's signature. Regarding Denise Conley's report, he has a copy for review. My sense is that he wants to talk about the report internally first. I will keep you posted.

Jens

From: John Guillory [mailto:johnlguillory@gmail.com]
Sent: Wednesday, May 26, 2010 3:39 PM
To: Hillmer, J H
Subject: Re: Sear's Window Project

Jens: I think the ball is in Gregory court. My request is for a new letter with this element removed and a new letter issued. Should you need me to rewrite the letter that works as a draft, I am willing to do that. I understand the he has a copy of the Conley report, it would be nice to have the opportunity to review this report. I have got a call into Gregory

On Wed, May 26, 2010 at 3:23 PM, Hillmer, J H <JHillmer@oaklandnet.com> wrote:

So what are the next steps on your part?

From: John Guillory [mailto:johnlguillory@gmail.com]
Sent: Wednesday, May 26, 2010 3:26 PM
To: Hillmer, J H
Subject: Re: Sear's Window Project

Jens: Yes I did. He indicated two things: 1. That the was willing to drop it altogether. He addimtted that this was his add and the like. And that he was frustrated about the nonaction on the Sear's "window issuse" which was a surprise to me because the only time the window issue showed up as an issue was when it was put into the extenstion as a part of that matter and it doesn't belong there. The point I mad eto him is that while the City may have been frustrated with their approach to Sear's on the window issue the first time that I heard the request we move immediately to a solution. And it simply needs to be removed as a conditions. jg

On Wed, May 26, 2010 at 2:42 PM, Hillmer, J H <JHillmer@oaklandnet.com> wrote:

John:

Did you ever get response from Gregory on this issue? My sense is that you can simply address the issue by stating that you are working on a windows enhancement project with the Oakland School for the Arts, describe what it will look like in broad terms and that should do it.

Where are you with regard to the other items in the letter? At this point, we will not be able to get this to the City Council before the summer recess. However, this can be the

first item in September. Please let me know if you have any questions, or if you would like to discuss any of these issues in more detail.

Thank you!

Jens

From: John Guillory [mailto:johnlguillory@gmail.com]

Sent: Monday, May 17, 2010 4:52 PM

To: Hillmer, J H

Cc: Hunter, Gregory

Subject: Sear's Window Project

Jens and Gregory: As a start, we were very surprised that the "window project" has become an element in the request for and extension. While it may we may very well be able to score some points as a corporate citizen it becomes challenging when it becomes a new elements of a real estate transactions that is not related. From Sear's perspective they were asked to look at this project by Council Person Nancy Nadel. Sear's is willing to participate as demonstrated below. I think it is totally inappropriate to include this item as an item of negotiations when Sear's is willing to participate as a good corporate citizen as outline below. Come on you guys make this go away as an item of negotiations, please?

John:

Yes, they are in the process of getting me a proposal that would combine

Sears merchandising and some of their artwork for showcase. Email chain

attached.

-Max

-----Original Message-----

From: jguill11043@aol.com [mailto:jguill11043@aol.com]

Sent: Monday, May 17, 2010 4:42 PM

To: Bulbin, Max

Subject: Sear's Oakland Window project

Max: Good afternoon. As a follow up, were you ever contacted by the

people from the City of Oakland who wanted to work with Sear's on the

window displays? John Guillory

Attached Message

From: Heidi Cregge <hcregge@oakarts.org>
To: Donn Harris <dkh_1@comcast.net>
Cc: Bulbin, Max <Max.Bulbin@searshc.com>; Nancy Nadel <NNadel@oaklandnet.com>
Subject: Re: Sears Window
Date: Mon, 10 May 2010 11:09:25 -0400

Ok! You'll hear from me again on this shortly.

Heidi Cregge

Chair, Digital Media

Visual Art Department

Oakland School for the Arts

cell: (415) 517-9508

<http://teachers.oakarts.org/~digitalmedia>

<http://teachers.oakarts.org/~traditionalmedia>

www.oakarts.org

Donn Harris <dkh_1@comcast.net> writes:

>Heidi:

>Let's move in this direction and get something back to Max by next week.

>

>Donn K. Harris

>Executive Director

>Artistic Director

>Oakland School for the Arts

>Oakland, Ca. 94612

>

>-----Original Message-----

>From: Donn Harris [mailto:dkh 1@comcast.net]

>Sent: Tuesday, May 04, 2010 6:00 PM

>To: Heidi Cregge

>Cc: Bulbin, Max; Nancy Nadel

>Subject: Re: Sears Window

>If we went with a window design, we would have to work with
staff at Sears

around merchandise, etc. Could be interesting. I wonder if there
isn't a way to use elements of both ideas.

>

>Donn K. Harris

>Executive Director

>Artistic Director

>Oakland School for the Arts

>Oakland, Ca. 94612

>Ph. 510.873.8800

>Fax 510.873.

Hillmer, J H

From: Hillmer, J H
Sent: Friday, April 30, 2010 12:07 PM
To: 'jguill1043@aol.com'
Subject: Sears

Hi John:

Per our conversation the letter basically seeks information from you about the status of your evaluation of the possible repositioning of the Sears department store. We need this info to present our case to the City Council. In essence, we need to justify to them why the extension is necessary in light of completing the study.

Second, the request for an improvement plan for the exterior of the current department store is also a part of the case that we would like to make the case to the City Council, namely that Sears, while it is reevaluating the position of the store is also making an effort to improve the appearance of the existing department store. As you know from your conversations with Nancy Nadel, this is something that she and others are very interested in. If we can say that you have already initiated several improvements, that would be great.

I hope that this clarifies the intent of the letter.

Thank you!

Jens Hillmer
Urban Economic Coordinator
City of Oakland
Community and Economic Development Agency
Redevelopment Division
250 Frank H. Ogawa Plaza, Suite 5313
Oakland, CA 94612

Tel.: (510) 238-3317
Fax: (510) 238-3691
E-mail Address: jhillmer@oaklandnet.com