

BACKGROUND

The Oakland Army Base represents a tremendous redevelopment opportunity for Oakland. Located at the foot of the San Francisco-Oakland Bay Bridge, the Army Base is central to the entire Bay Area and it serves as a major gateway into Oakland (see Attachment 1). In addition, the Army Base is unique in its ability to provide large, open areas of land with direct freeway visibility and access. Redevelopment of the Army Base also offers the opportunity to create jobs and improve the quality of in life West Oakland and other parts of the city.

In 1995, the Oakland Army Base was designated for closure. The Oakland Base Reuse Authority (OBRA) was formed to handle conveyance issues, and in 2003 OBRA received ownership of the Base. Since then, OBRA has been working to resolve various site preparation, environmental, legal, and real estate issues, so that the Base can be conveyed. OBRA's work is nearing completion, and in August 2006 it will transfer 165 acres of the Army Base to the Oakland Redevelopment Agency.

In anticipation of this transfer, the Agency and OBRA have been working together to develop plans to redevelop the Army Base. In March 2005, OBRA hired a consulting team led by Design, Community & Environment (DCE) to conduct a land use economic, market feasibility, and site planning study of development opportunities for the Base. DCE's report was completed in June 2005 and was presented in a series of public meetings. In July 2005, the Agency approved a new Five Year Plan for the Oakland Army Base Redevelopment Project Area, to cover the period 2005-2010.

While these comprehensive studies have been proceeding, the Agency has encountered several development opportunities that required immediate attention. In order to pursue these opportunities, the Agency is now working with private developers to explore the feasibility of several potential projects:

- A 70-acre film production center, to be developed by the Wayans Brothers;
- A 50-acre retail and industrial development, to be built by Oakland West Wind, LLC;
- A freeway auto mall; and/or
- A Costco Wholesale store.

All of these concepts are in the early, exploratory phase. The purpose of this report is to provide an update on these redevelopment proposals, and to seek input from the Planning Commission.

1. Film Production Center

On June 21, 2005, the Agency Board authorized staff to enter into a 12-month Exclusive Negotiating Agreement (ENA) with "Fulton Project Development Group." Fulton is a business entity formed by the Wayans Brothers, who have built up a billion-dollar television and movie franchise with movies like Scary Movie" and "White Chicks," and TV shows such as "My Wife and Kids" and "In Living Color."

Fulton has expressed interest in building a mixed-use film production center that would include film/television production studios and facilities; retail; entertainment; housing; and/or a luxury hotel. The development would be located on 70 acres of land in the West and Central Gateway Areas of the former Oakland Army Base (see Attachment 1).

The Agency has started ENA discussions with Fulton. During the 12-month ENA term, staff will be working with Fulton to work out the specific boundaries and layout of the project; develop concept drawings; refine the scope and program of development; analyze the market and financial feasibility of the proposal; and coordinating with other proposals that are being developed on adjacent parts of the Army Base. In addition, the Fulton proposal will be coordinated with an initiative developed by Ami Zins of the Oakland Film Office, to develop a film/television production facility in West Oakland.

2. Oakland West Wind Development

On June 21, 2005, the Agency Board approved a six-month ENA with "Oakland West Wind, LLC" – which is a venture led by Opus West Corporation and Legacy Commercial, along with several local organizations.

Currently, the Oakland West Wind project is not defined, but the developer has indicated a preference to develop a combination of retail and industrial uses. The project would be located on approximately 50 acres of land in the Central and East Gateway portions of the Army Base (see Attachment 2).

The ENA activities will be similar to those in the Fulton ENA, i.e.: exploring various development concepts; developing architectural drawings; analyzing the market and financial feasibility of the proposal; and coordinating with other proposals that are being developed on adjacent parts of the Army Base. In recent discussions, Oakland West Wind has expressed a willingness to include several options within its overall development:

- Facilities for independent truckers (15 acres)
- Auto Dealerships (15-20 acres)
- Big Box Retail (15-20 acres)

These and other development options will be explored during the six-month term of the ENA. Under the current anticipated timeline, staff would return to the Agency Board with a proposed development agreement with Oakland West Wind in April 2006, although it is possible that the ENA period may be extended to allow additional time to coordinate with the adjacent Fulton proposal.

3. Freeway Auto Mall

Since the 1990s, Oakland has faced increasing pressures to retain its auto dealers, particularly on Broadway Auto Row. Due to rising land values, pressure from the auto manufacturers to modernize facilities, the encroachment of housing development, and substandard conditions on Broadway, Oakland is now facing the loss of most of its auto dealerships within 4-6 years.

In order to secure a long-term, sustainable location for Oakland's dealerships, it is necessary to consider a freeway auto mall – and of the few options available in Oakland, the Army Base is the most feasible site due to its location, land area, and ability to be developed relatively quickly. Any other site would involve large costs for land acquisition and the potential use of eminent domain.

In January 2005, the Agency initiated a site planning study using the design firm Ware Malcomb, to look at a potential freeway auto mall at the Oakland Army Base. Ware Malcomb researched the area and met with local dealerships and other stakeholders, to determine the space needs of existing dealers. In its April 2005 report, Ware Malcomb proposed a freeway auto mall that would include 14 dealerships on about 42 acres of space. Based on this analysis, it appears that the City/Agency would need to identify a total of 40-50 acres of land somewhere in the city to accommodate the existing auto dealerships in one or more freeway locations.

In recent months, several auto dealerships have approached staff to discuss the possibility of relocating to the Oakland Army Base. These dealers need to relocate quickly, due to their expiring leases. Staff has focused on the North Gateway – specifically, the Subaru Lot and Baldwin Yard – as the most feasible location, because it can be made ready for construction much sooner than other areas of the Army Base.

If auto retail is developed in the North Gateway, it would be important to locate the remaining dealers on adjacent parcels in the East Gateway. This would allow the dealers to be co-located and to create a consistent, convenient environment for customers. For this reason, staff has been working with Oakland West Wind, LLC, to see if auto retail can be included within the 50-acre proposal that they are planning.

On November 8, 2005, the City Council's Community and Economic Development Committee will discuss the issue of including auto retail in a portion of the Army Base.

4. Costco

The Agency has been in discussions with Costco Wholesale Corporation to pursue the development of a Costco. Initially, the negotiations focused on the 15-acre "Subaru Lot," located within the North Gateway site of the former Oakland Army Base. For business reasons, these negotiations are now focusing on other potential sites within the Army Base and elsewhere in West Oakland. These discussions will continue, and it is possible that a Costco deal could be accommodated by one of the existing ENAs in the Army Base.

5. Community Involvement

Community involvement is critical for any proposal that is developed in the Army Base. Accordingly, the ENAs for both Fulton and Oakland West Wind contain strict requirements for the developer to engage the local community in a series of public meetings. These meetings have not yet occurred because one of the ENAs was just recently signed, and the other ENA has not yet been signed; however, it is anticipated that community meetings will be scheduled shortly.

6. Environmental Analysis

As the Agency continues to refine its plans for the Army Base, it will be important to update the existing Environmental Impact Report (EIR), which was certified in April 2002. Staff has amended the contract of its EIR consultant team, headed by Lamphier-Gregory, to have them study potential environmental impacts. This new environmental analysis will focus on the North Gateway area, where development is expected to happen first.

7. Other Planning Issues

This report has focused on specific development concepts that the Agency is now exploring. In addition to the issues raised above, it will be important for the Agency to coordinate with the Planning Commission on several other, more general planning issues:

- The current General Plan designations may need to be amended to reflect the development scenarios ultimately endorsed by the Agency.
- The current M-40 designation may need to be rezoned to reflect the preferred development scenario.
- A traffic circulation plan must be developed that supports development within the Army Base and that allow circulation with adjacent land uses.
- Potential land use conflicts need to be identified and minimized.

RECOMMENDATION

On December 13, 2005, the City Council's Community and Economic Development Committee will discuss land use issues at the Army Base. Staff is submitting this report for informational purposes, and seeks input from the Planning Commission on potential development concepts at the Oakland Army Base.

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