

This Calendar Item No. C59 was approved as
Minute Item No. 59 by the California State Lands
Commission by a vote of 3 to 0 at its 4-17-06
meeting.

Minute Item
C59

04/17/06

W 25351

G. Kate, M. Bell, C. Connor

B. Stevenson, J. Rusconi

CALIFORNIA STATE LANDS COMMISSION, CITY OF
OAKLAND, THE OAKLAND BASE REUSE AUTHORITY, AND
THE OAKLAND REDEVELOPMENT AGENCY
(PARTIES)

Calendar item C59 was moved to the regular calendar.

The Commission was asked to authorize a complete settlement of
land title involving the Oakland Army Base. The item was approved
as presented by a 3-0 vote.

000816

MINUTE PAGE

**CALENDAR ITEM
C59**

A 19
S 6

AD 511 04/17/06
W 25113
G. Kato
M. Bell
C. Connor
B. Stevenson
J. Rusconi

**CONSIDER REQUEST FOR APPROVAL OF OAKLAND ARMY BASE TITLE
SETTLEMENT AND EXCHANGE AGREEMENT**

PARTIES:

Alix A. Rosenthal
Deputy City Attorney
City of Oakland
City Hall, 6th Floor
1 Frank Ogawa Plaza
Oakland, CA 94612

Thomas D. Clark
Assistant Port Attorney
Port of Oakland
530 Water Street
Oakland, CA 94607

BACKGROUND:

The purpose of this calendar item is to seek authorization by the State Lands Commission of an agreement to settle sovereign land title issues at the Oakland Army Base, in the city of Oakland, Alameda County (the "Agreement"). Through the Agreement, the city of Oakland, acting through its Board of Port Commissioners, and the Oakland Redevelopment Agency will own certain lands within the Oakland Army Base (the "Public Trust Parcels") by grant from the State of California and subject to the public trust and applicable grants to the city of Oakland. Also through the recordation of the deeds and patents called for in the Agreement, the Oakland Redevelopment Agency will own certain lands within the now-closed Oakland Army Base (the "Trust Termination Parcels") free of the public trust for commerce, navigation, and fisheries and applicable statutory grants to the city of Oakland.

CALENDAR ITEM NO. C59 (CONT'D)

The Legislature enacted Chapter 664, Statutes of 2005 (the "Exchange Act") to authorize a settlement and exchange of land at the Oakland Army Base. There are five parties to the Agreement: the city of Oakland, acting by and through its City Council (the "City"); the city of Oakland, acting by and through its Board of Port Commissioners (the "Port"); the Oakland Base Reuse Authority, a joint powers agency ("OBRA"); the Oakland Redevelopment Agency, a redevelopment Agency ("ORA"); and the State of California, acting by and through the State Lands Commission (the "State"). Together, the governmental entities from Oakland will be referred to as the "Oakland Parties."

The property subject to this Agreement is shown in its general location in Exhibit B to this calendar item. A more specific site map of the Oakland Army Base is shown in Exhibit A to this calendar item. Exhibit A is a copy of the map included in Section 16 of the Exchange Act. It substantially reflects the final configuration of lands to be subject to the public trust for commerce, navigation, and fisheries (the "Public Trust") and the grants of tide and submerged lands to the city of Oakland at the close of the settlement and exchange. There are some lands shown in Exhibit A that are not a part of the lands included in the Agreement. They are depicted as the "OARB Adjacent Parcels," or are lands that are unmarked on Exhibit A extending along the eastern boundary of the Base (an area known as the "Knight Yard"). Both Exhibit A and Exhibit B (a general location map) are attached to this calendar item and are incorporated by this reference as parts of it.

The State Lands Commission previously considered title to the Oakland Army Base at its meeting of August 19, 2003, through Calendar Item No. 83. The purpose of that calendar item was to grant authority, by ratification, for the staff to enter a Declaration of Covenant at the time that the Oakland Army Base was transferred from the United States to OBRA. The function of the Covenant was to describe the sovereign title issues at the Base; to set forth use restrictions applicable to Public Trust land; and also to restrict the factual and legal arguments that might be made against Public Trust title. Similar language appeared in deeds to ORA and the Port of Oakland that followed the initial deed to OBRA. Protective language in these documents was necessary because they were recorded before a title settlement and exchange agreement was completed for the Base. The documents contemplated completion of the title settlement and exchange agreement to be authorized by this calendar item.

By way of background, the Oakland Army Base includes lands that were tide and submerged lands subject to the Public Trust at the time California became a state. The land title to tide and submerged lands within the Base falls within two categories:

1. North of the 1862 Oakland City Charter line (established by Section 2 of Chapter 294 of the Statutes of 1862), lands within the Oakland Army Base

CALENDAR ITEM NO. C59 (CONT'D)

were conveyed into private ownership by the State of California, acting by and through its Board of Tide Land Commissioners, pursuant to Chapter 388 of the Statutes of 1869-1870. These lands were filled prior to 1980 and are agreed to be free of the Public Trust by application of the decision of the California Supreme Court in City of Berkeley v. Superior Court (1980) 26 Cal. 3d 515.

2. The remaining tide and submerged lands within the Oakland Army Base were granted to the Town of Oakland and later to the city of Oakland through a series of statutory grants. These grants were Chapter 107 of the Statutes of 1852 and Chapter 657 of the Statutes of 1911, both as amended. These grants, together with the Exchange Act, shall be referred to as the "Granted Lands Trust."

The location and title to tide and submerged lands within the Oakland Army Base are subject to legal and factual uncertainties that could result in lengthy and expensive land title and boundary litigation. The factors causing the uncertainties include:

1. Legal questions concerning an 1852 transfer of tidelands along the Oakland waterfront to a private party by the Town of Oakland;
2. The effect of subsequent litigation and court decisions concerning that transfer; and
3. The validity of a 1910 boundary line agreement entered into by the city of Oakland and a private party purporting to establish the waterward boundary of lands transferred by the Town of Oakland to a private party in 1852 at what is now the eastern line of Maritime Street.

Through a series of acquisitions and condemnation actions beginning in 1941, the United States obtained title to the lands that became Oakland Army Base. The United States acquired the portion of the Oakland Army Base west of the eastern line of Maritime Street through several condemnation actions, which culminated in a stipulated final judgment in 1952 in United States v. 72 Acres of Land, U. S. District Court, N.D. Cal., Nos. 21758-L, 21930-L and 22084-L. There are questions regarding the effect of this judgment on the existence of the Public Trust and the Granted Lands Trust within the Oakland Army Base.

The Oakland Army Base was designated for closure in 1995 pursuant to the Defense Base Closure and Realignment Act of 1990. In 1999, the Base was closed and OBRA assumed management and control of most of the property. On August 7, 2003, the United States transferred title to portions of the Base to OBRA as a no-cost economic development conveyance by deed recorded on August 8, 2003, as Instrument No. 2003466370, Official Records of Alameda County. Also, on July 8, 2003, the Oakland Parties entered into a Memorandum of Agreement (the "MOA") which also supports the entry into and completion of this Agreement and its associated deeds.

In anticipation of the federal transfer of the Oakland Army Base, the Oakland Parties, in 2000, developed and adopted the Oakland Army Base Area Redevelopment Plan for the Oakland Army Base Area Redevelopment Project. The Redevelopment Project area includes the Oakland Army Base. In 2002, OBRA adopted a plan entitled

CALENDAR ITEM NO. C59 (CONT'D)

"Gateway to the East Bay: Final Reuse Plan for the Oakland Army Base, adopted July 31, 2002." The Final Reuse Plan encompasses the Oakland Army Base and was designed to maximize Public Trust and Granted Lands Trust benefits by identifying the optimal configuration of lands suitable for purposes of those Trusts given current and anticipated Port needs and potential waterfront recreational opportunities. The Plan was designed to accomplish these objectives in a manner that minimizes fill in San Francisco Bay.

The Final Reuse Plan created two areas: a "Port Development Area" that will be subject to the Public Trust and the Granted Lands Trust at completion of the Agreement, and that is anticipated to be developed by the Port for Port-related uses and a "Gateway Development Area" that will be redeveloped primarily with uses that are not consistent with the Public Trust and the Granted Lands Trust. ORA will succeed to OBRA's interest in the Gateway Development Area portion of the Oakland Army Base.

The Port Development Area is approximately 235 acres in size and is adjacent to the Port's existing Oakland Outer Harbor terminals. Most of the lands in the proposed Port Development Area are located in the portion of the Base east of Maritime Street and are presently in the record ownership of OBRA. The acquisition of all of the Port Development Area lands will allow the Port to consolidate and to reconfigure its existing terminals, expand its cargo capacity, create a new larger and more productive intermodal rail terminal, and construct its proposed Berth 21 project. These projects are intended to allow the Port to achieve the year 2020 cargo throughput demand forecasts set forth in the San Francisco Bay Area Seaport Plan administered by the Bay Conservation and Development Commission ("BCDC"). In 2001, BCDC reconfigured the property within the Oakland Army Base subject to a port priority use designation that reflects the area to be held by the Port subject to the Public Trust and the Granted Lands Trust pursuant to the Agreement and its associated deeds.

The Gateway Development Area is situated adjacent to the San Francisco-Oakland Bay Bridge ("Bay Bridge") touchdown in Oakland at the point of entry to Oakland and the East Bay. A portion of the Gateway Development Area contains waterfront land comprising Piers 7, 8, and 9. OBRA, ORA and the City have proposed the development of a high-quality destination open-space park that would encompass the entire existing waterfront within the Gateway Development Area. Development of this park would open this previously inaccessible waterfront to the public for recreational purposes, and would directly connect with lands currently held by the federal government to the west and anticipated for use in the future as a shoreline regional park. Upon recording of this Agreement and the deeds implementing it, these waterfront lands (with the exception of Parcel H) will be owned by ORA subject to the Public Trust and the Granted Lands Trust. Parcel H will be owned by the Port subject to the Public Trust and Granted Lands Trust. Parcel H may be transferred, subject to the Public Trust and the Granted Lands Trust, to ORA once no longer needed for the Berth 21 Project, as more fully outlined in the Agreement.

The remaining lands held by OBRA in the Gateway Development Area consist of filled lands between the waterfront and the Interstate 80 corridor at the Bay Bridge

CALENDAR ITEM NO. C59 (CONT'D)

touchdown and filled lands north of the Interstate 80 corridor. Upon recording of this Agreement and the deeds implementing it, these lands will be owned by ORA free from the Public Trust and the Granted Lands Trust.

The purpose of this calendar item is to seek Commission authority to put land title questions to rest at the Oakland Army Base as authorized by the Exchange Act through the Agreement which has been developed between the staffs of the Oakland Parties, the State Lands Commission, and the Office of the Attorney General. The Agreement is on file at the Sacramento Office of the State Lands Commission. The Agreement has been developed in the context of particular problems stemming from closing military bases. Among these problems are complex federal land disposal procedures and the necessity for hazardous waste remediation. The result of the full implementation of the Agreement and its deeds and patents will be that the final configuration of Public Trust lands will be as substantially reflected in Exhibit A.

To address hazardous substances at the Base, the Department of Toxic Substances Control ("DTSC") approved a "Final Remedial Action Plan" and "Final Risk Management Plan" (together, "RAP/RMP") in 2002. The RAP/RMP sets forth cleanup obligations and standards and established risk management protocols for the Base. In 2003, OBRA, ORA, and DTSC entered into the "Consent Agreement between Oakland Base Reuse Authority, city of Oakland by and through the Oakland Redevelopment Agency and State of California..." as amended on May 2, 2005 (the "Consent Agreement"). The Consent Agreement provides for a schedule for implementing the RAP/RMP. Also in 2003, the parties to the Consent Agreement entered into a "Covenant to Restrict Use of Property, Environmental Restriction, Former Oakland Army Base, Oakland California" ("Covenant to Restrict Use of Property"), establishing use limitations to ensure that future use and development of the Base are consistent with the protection of human health and the environment. The Army has also determined that the Covenant to Restrict Use of Property, the RAP/RMP, and the Consent Agreement together assure the protection of human health and the environment and the completion of necessary response actions. The United States also found that there are adequate funds available to ensure completion of the remediation. Based on these findings and additional financial assurances from Oakland Parties to ensure completion of the remediation, the Governor of California concurred with the Army that the Base was suitable for early transfer from the United States to OBRA. As stated earlier, that transfer occurred in 2003.

There are sufficient protections in place to ensure that the remaining remedial actions affecting the Public Trust Parcels will be completed consistent with the timeframe and standards set forth in the RAP/RMP and Consent Agreement. The Army has allocated \$13 million towards remediation, of which approximately \$8.4 million remains. A \$3.5 million portion of the federal funds was used to obtain an environmental insurance policy (in which the State is listed as an additional named insured), that will provide

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coverage for remediation costs in excess of approximately \$21 million, to a cap of \$30 million in coverage. Remediation costs are not expected to exceed the policy amount. The Oakland Parties have committed to provide up to \$11.5 million as may be needed to bridge the gap between the available federal funds and the insurance attachment point, if the cost of remediation exceeds the amount of available federal funds.

The staff of the State Lands Commission has been in contact with DTSC to verify that remedial actions for the Public Trust Parcels to be received through the Agreement is being achieved within the timeframe and according to the standards of the RAP/RMP and Consent Agreement. The staff of DTSC has confirmed that this is the case. Also, the staff of the State Lands Commission has verified that there are no land use covenants or restrictions on the Public Trust Parcels, other than the existing Covenant to Restrict Use of Property, that impede its use for Public Trust and Granted Lands Trust purposes. There has been a showing of sufficient financial assurances to complete the actions laid out in the RAP/PMP and Consent Agreement consistent with Oakland Base Reuse Authority Resolution No. 2003-13, Port of Oakland Resolution No. 03150, Oakland City Council Resolution No. 77857, and Oakland Redevelopment Agency Resolution No. 2003-29, as those resolutions read on January 1, 2004. Prior to closing and recording of the Agreement and its deeds and patents, the staff of the State Lands Commission will confirm that sufficient funds remain to complete the necessary actions in the RAP/RMP and Consent Agreement in relation to the Public Trust Parcels, and that no land use covenants or restrictions have been placed on the Public Trust Parcels, other than the existing Covenant to Restrict Use of Property, that impede their use for Public Trust and Granted Lands Trust purposes

The most important terms of the Agreement pertaining to a settlement and land exchange will:

- Require that the Port and OBRA quitclaim to the State all of the lands within the Oakland Army Base;
- Require that the State will then patent the Public Trust Parcels within the Port Development Area and Public Trust Parcel H within the Gateway Development Area to the Port. The patents will be made subject to the Public Trust and the Granted Lands Trust, and the Port will accept title as such;
- Require that the State will patent the Public Trust Parcels within the Gateway Development Area (other than Parcel H) to the ORA. The patent will be subject to the Public Trust and the Granted Lands Trust, and ORA will accept title as such;
- Require that the State will then patent the Trust Termination Parcels to ORA, free of the Public Trust and the Granted Lands Trust, according to the terms of the Agreement; and

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- Authorize an escrow for the completion of the exchange of land identified in the Agreement.

State Lands Commission staff, with advice and assistance from the Office of the Attorney General, has evaluated the State's position as to land title within the Oakland Army Base. Also, State Lands Commission staff has reviewed and approved an appraisal of the Oakland Army Base, prepared according to instructions acceptable to staff. Staff's conclusion is that the value of the economic interests being received by the State in the Public Trust Parcels is equal to or greater than the value the State is relinquishing in the Trust Termination Parcels. Separate from economic value considerations, the Agreement will secure sovereign title in land useful for a variety of Public Trust and Granted Lands Trust purposes and will assure that sovereign property is put to uses beneficial both locally and to all people of the State.

STATUTORY AND OTHER REFERENCES:

- A. PRC: Div. 6, Parts 1 and 2; Div. 13
- B. Cal. Adm. Code: Title 2, Div. 3; Title 14, Div. 6
- C. Chapter 664, Statutes of 2005

AB 884: N/A

OTHER PERTINENT INFORMATION:

1. Pursuant to the Commission's delegation of authority and the State CEQA Guidelines (Title 14, California Code of Regulations, Section 15061), the staff has determined that this activity is exempt from the requirements of the CEQA as a statutorily exempt project. The project is exempt because it involves settlements of title and boundary problems.

Authority: Public Resources Code Section 21080.11

EXHIBITS:

- A. Site Map of Oakland Army Base Substantially Reflecting Land Subject to the Public Trust and the Granted Lands Trust Upon Completion of Settlement and Exchange
- B. Location Map of Oakland Army Base

RECOMMENDED ACTION:

IT IS RECOMMENDED THAT THE COMMISSION:

1. FIND THAT THE ACTIVITY IS EXEMPT FROM THE REQUIREMENTS OF THE CEQA PURSUANT TO TITLE 14 CALIFORNIA CODE OF REGULATIONS SECTION 15061, AS A STATUTORILY EXEMPT PROJECT PURSUANT TO PUBLIC RESOURCES CODE 21080.11,

CALENDAR ITEM NO. C59 (CONT'D)

SETTLEMENT OF TITLE AND BOUNDARY PROBLEMS AND FROM THE SUBDIVISION MAP ACT PURSUANT TO GOVERNMENT CODE SECTION 66412(E).

2. AUTHORIZE THE EXECUTIVE OFFICER OR HIS DESIGNEE TO EXECUTE AND TO DELIVER THE OAKLAND ARMY BASE TITLE SETTLEMENT AND EXCHANGE AGREEMENT INTO ESCROW, TOGETHER WITH THE PATENTS TO THE PUBLIC TRUST PARCELS AND THE TRUST TERMINATION PARCELS IN FORMS SUBSTANTIALLY SIMILAR TO THOSE NOW ON FILE WITH THE OFFICE OF THE STATE LANDS COMMISSION, ALL AS PROVIDED IN THE AGREEMENT AND ESCROW INSTRUCTIONS TO BE PREPARED PURSUANT TO IT.
3. FIND, UPON RECORDATION OF THE AGREEMENT AND ITS STATE PATENTS, THAT:
 - A. THE CONFIGURATION OF THE LANDS TO BE EXCHANGED INTO THE PUBLIC TRUST AND THE GRANTED LANDS TRUST (I) DOES NOT DIFFER SIGNIFICANTLY FROM THE CONFIGURATION SHOWN ON THE DIAGRAM IN SECTION 16 OF THE EXCHANGE ACT, (II) INCLUDES ALL LANDS WITHIN THE OARB REDEVELOPMENT PROPERTY DESCRIBED IN THE EXCHANGE ACT THAT ARE WATERWARD OF THE MEAN HIGH TIDE AT THE TIME OF THE EXCHANGE, WITH THE EXCEPTION OF THE STRIP OF SUBMERGED LAND WITHIN THE GATEWAY DEVELOPMENT AREA THAT WILL BE FILLED AND CUT OFF FROM THE WATERFRONT BY THE BERTH 21 PROJECT DESCRIBED IN SUBDIVISION (Q) OF SECTION 3 OF THE EXCHANGE ACT, AND (III) CONSISTS OF LANDS SUITABLE TO BE IMPRESSED WITH THE PUBLIC TRUST AND THE GRANTED LANDS TRUST;
 - B. THE LANDS TO BE TAKEN OUT OF THE PUBLIC TRUST AND THE GRANTED LANDS TRUST HAVE BEEN FILLED AND RECLAIMED AS THE RESULT OF A HIGHLY BENEFICIAL PROGRAM OF HARBOR DEVELOPMENT; ARE CUT OFF FROM ACCESS TO NAVIGABLE WATERS; ARE NO LONGER NEEDED OR REQUIRED FOR THE PROMOTION OF THE PUBLIC TRUST OR THE GRANTED LANDS TRUST; CONSTITUTE A RELATIVELY SMALL PORTION OF THE LANDS ORIGINALLY GRANTED TO THE CITY OF OAKLAND; AND THE EXCHANGE WILL NOT RESULT IN SUBSTANTIAL INTERFERENCE WITH PUBLIC TRUST OR GRANTED LANDS TRUST USES AND PURPOSES;

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- C. THIS AGREEMENT IS IN THE BEST INTERESTS OF THE STATE OF CALIFORNIA FOR THE IMPROVEMENT OF NAVIGATION AND COMMERCE; FOR THE ENHANCEMENT OF PUBLIC ACCESS TO AND ALONG THE SHORELINE AND WATERFRONT; AND FOR THE PROTECTION, PRESERVATION, AND ENHANCEMENT OF PUBLIC TRUST INTERESTS IN THE REMAINING TIDE AND SUBMERGED LANDS IN THE AREA;
- D. THE VALUE OF THE LANDS TO BE EXCHANGED INTO THE PUBLIC TRUST AND THE GRANTED LANDS TRUST IS EQUAL TO OR GREATER THAN THE VALUE OF THE LANDS TO BE EXCHANGED OUT OF THE PUBLIC TRUST OR THE GRANTED LANDS TRUST IN THE TRUST TERMINATION PARCELS;
- E. THE FINAL LAYOUT OF STREETS IN THE GATEWAY DEVELOPMENT AREA AND THE PORT DEVELOPMENT AREA WILL PROVIDE PUBLIC VEHICULAR, PEDESTRIAN, AND BICYCLE ACCESS TO THE PUBLIC TRUST PARCELS WITHIN THOSE AREAS, AND THROUGH THOSE AREAS TO THE LANDS ADJOINING THE GATEWAY DEVELOPMENT AREA ON ITS WESTERLY SIDE, AND WILL BE CONSISTENT WITH THE BENEFICIAL USE OF THOSE LANDS;
- F. THE OAKLAND ARMY BASE MOA HAS BEEN AMENDED TO ELIMINATE THE CONCEPT OF THE "CITY CASH-OUT REMEDY" AS DEFINED IN SECTION 1.1(A)(17) AND AS REFERENCED IN SECTIONS 2.2(D), 3.3(C)(1), 4.1, 5.1(B)(2), 5.1(C)(2), 5.1(E), 6.2(B)(3), 6.5, 8.4, 11.17, AND ELSEWHERE IN THE OAKLAND ARMY BASE MOA, OR IN ANY AMENDMENT TO THE OAKLAND ARMY BASE MOA;
- G. EACH TRUSTEE, AND ANY STATE AGENCY, WHICH OWNS FEE TITLE IN THE LANDS TO BE EXCHANGED HAS APPROVED THE EXCHANGE;
- H. THE PUBLIC TRUST LANDS PARCELS HAVE EITHER BEEN REMEDIATED CONSISTENT WITH THE REQUIREMENTS OF THE RAP/RMP AND CONSENT AGREEMENT, OR, FOR THE PORTIONS OF THE PUBLIC TRUST PARCELS THAT HAVE NOT YET BEEN REMEDIATED, SUFFICIENT PROTECTIONS ARE IN PLACE TO ENSURE THAT THE REMEDIAL ACTIONS WILL BE COMPLETED CONSISTENT WITH THE TIMEFRAME AND STANDARDS SET FORTH IN THE RAP/RMP AND CONSENT AGREEMENT; AND
- I. THERE ARE NO LAND USE COVENANTS OR RESTRICTIONS

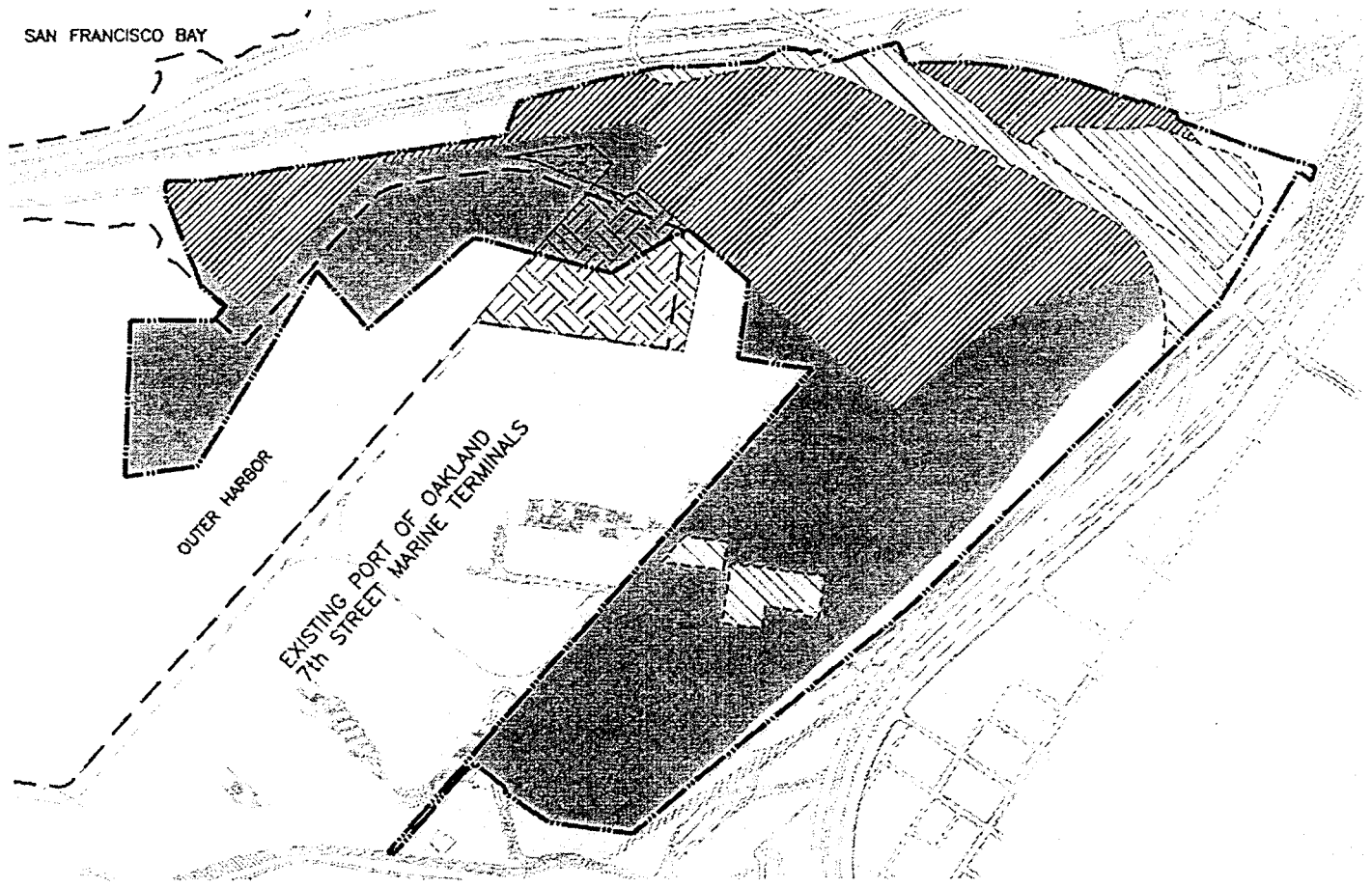
ON THE PUBLIC TRUST PARCELS, OTHER THAN THE EXISTING COVENANT TO RESTRICT USE OF PROPERTY, THAT IMPEDE ITS USE FOR PUBLIC TRUST OR GRANTED LANDS TRUST PURPOSES.


- J. THE PARTIES HAVE A GOOD FAITH AND BONA FIDE DISPUTE AS TO THEIR RESPECTIVE INTERESTS WITHIN THE PUBLIC TRUST PARCELS AND THE TRUST TERMINATION PARCELS. THE AGREEMENT IS A COMPROMISE OF THE CONTESTED ISSUES OF LAW AND EVIDENCE UPON WHICH THE DISPUTE IS BASED, AND IS IN LIEU OF THE COSTS, DELAY, AND UNCERTAINTIES OF TITLE LITIGATION, AND IS CONSISTENT WITH AND AUTHORIZED BY THE REQUIREMENTS OF LAW.
4. AUTHORIZE AND DIRECT THE STAFF OF THE STATE LANDS COMMISSION AND/OR THE OFFICE OF THE CALIFORNIA ATTORNEY GENERAL TO TAKE ALL NECESSARY OR APPROPRIATE ACTIONS ON BEHALF OF THE STATE LANDS COMMISSION, INCLUDING THE EXECUTION, ACKNOWLEDGMENT, ACCEPTANCE, AND RECORDATION OF ALL DOCUMENTS AS MAY BE NECESSARY OR CONVENIENT TO CARRY OUT THE TITLE SETTLEMENT AND EXCHANGE AGREEMENT AND TO APPEAR ON BEHALF OF THE COMMISSION IN ANY LEGAL OR ADMINISTRATIVE PROCEEDINGS RELATING TO THE SUBJECT MATTER OF THE AGREEMENT.

NO SCALE




OAKLAND ARMY BASE



 OAKLAND ARMY BASE (OARB) REDEVELOPMENT PROPERTY


 EXISTING WATERFRONT LINE

 LANDS WITHIN OARB REDEVELOPMENT PROPERTY SUBJECT TO THE PUBLIC TRUST UPON COMPLETION OF THE EXCHANGE

 LANDS WITHIN OARB REDEVELOPMENT PROPERTY FREE OF THE PUBLIC TRUST UPON COMPLETION OF THE EXCHANGE

 OARB ADJACENT PARCELS

 "BERTH 21" TRUST LANDS TO BE DREDGED

 "BERTH 21" TRUST LANDS TO BE FILLED

MAP SOURCE: BMS DESIGN GROUP

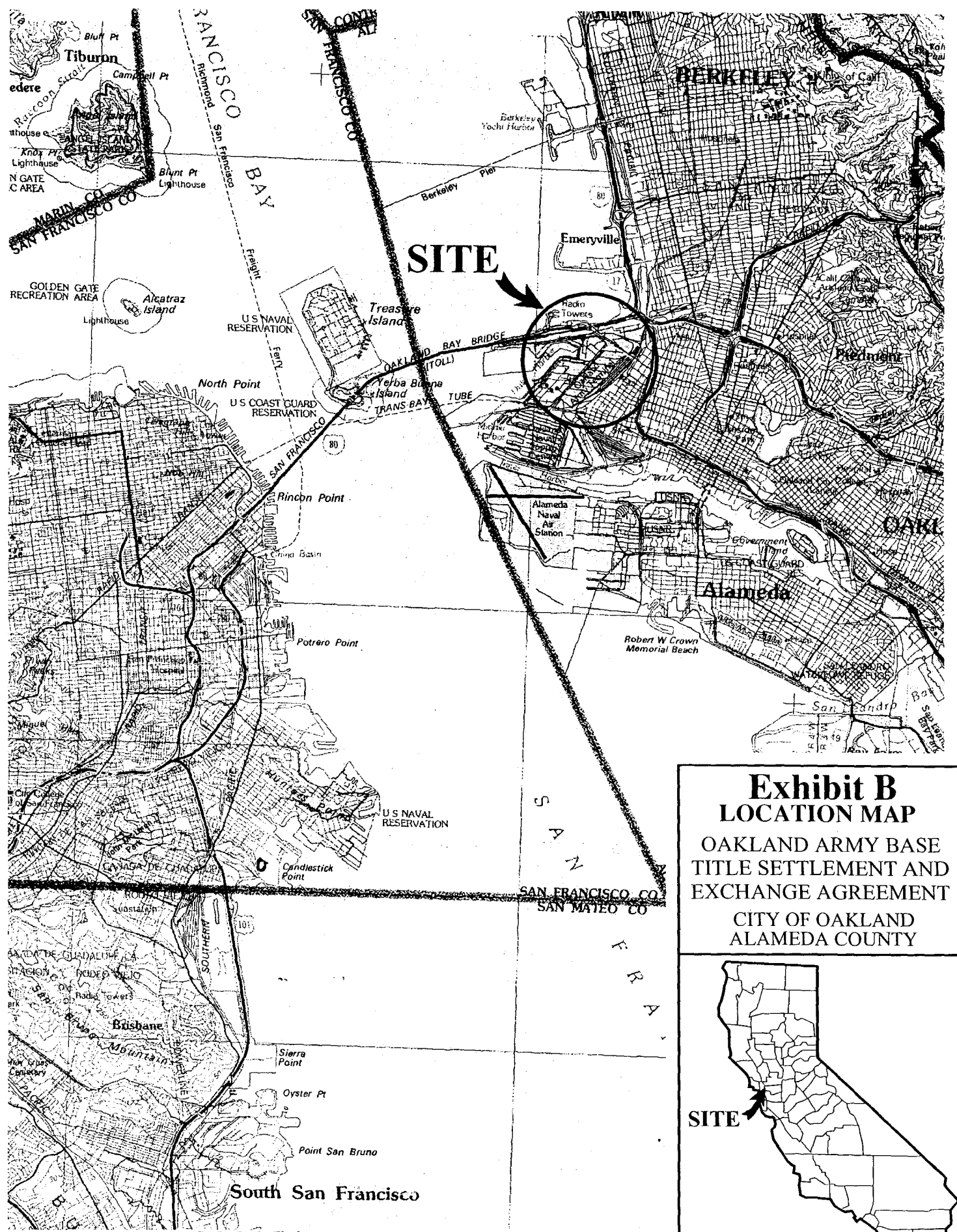
Exhibit A SITE MAP

OAKLAND ARMY BASE
TITLE SETTLEMENT AND
EXCHANGE AGREEMENT

CITY OF OAKLAND
ALAMEDA COUNTY

MJ 3/06

This exhibit is solely for purposes of generally defining the premises and is not intended to be, nor shall it be construed as a waiver or limitation of any State interest in the subject or any other property.



SITE

Exhibit B
LOCATION MAP
 OAKLAND ARMY BASE
 TITLE SETTLEMENT AND
 EXCHANGE AGREEMENT
 CITY OF OAKLAND
 ALAMEDA COUNTY



000271

MAP SOURCE: USGS QUAD

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04-17-06

**CALIFORNIA STATE LANDS COMMISSION, CITY OF OAKLAND, THE
OAKLAND BASE REUSE AUTHORITY, AND THE OAKLAND
REDEVELOPMENT AGENCY
(PARTIES)**

LETTERS OF SUPPORT

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PORT OF OAKLAND

JERRY A. BRIDGES
Executive Director

April 14, 2006

Lt. Governor Cruz M. Bustamante
Finance Director Michael C. Genest
State Controller Steve Westly
California State Lands Commission
100 Howe Ave Suite 100 South
Sacramento, CA 95825-8202
via facsimile to (916) 574-1810

RE: State Lands Commission Hearing on April 17, 2006 – Item C-59

Dear Commissioners:

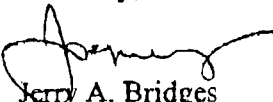
On behalf of the Port of Oakland, I am writing to encourage you to support the Oakland Army Base Title Settlement and Exchange Agreement to be heard as Item C-59 during your meeting on April 17, 2006.

As a result of this exchange agreement, the Port of Oakland and the City of Oakland will each have the opportunity to develop a Port Development Area and a Gateway Development Area, respectively, that will facilitate economic growth in Oakland, increased commerce through the Port of Oakland, new and revitalized open space opportunities and an increased enjoyment of the waterfront.

The acquisition and consolidation of the Port Development Area will allow the Port of Oakland to create a state-of-the-art rail terminal, thereby expanding our cargo capacity and facilitating the conversion of container throughput from truck traffic to rail. In addition, the Port and the City have committed to providing funds necessary to complete all the necessary environmental remediation activities so as to ensure that the areas do not pose health risks to future users of the sites.

Thank you for your consideration of this item.

Sincerely,


Jerry A. Bridges
Executive Director

cc: Paul Thayer, Executive Director, State Lands Commission

CONCERN/OPPOSITION

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250 FRANK H. OGAWA PLAZA, SUITE 3315 • OAKLAND, CALIFORNIA 94612-2032

Community and Economic Development Agency
Office of the Executive Director

(510) 238-2229
FAX (510) 238-6538
TTD (510) 839-6451

April 12, 2006

Ms. Grace Kato
California State Lands Commission
Public Land Management Specialist
Granted Lands and Special Projects
100 Howe Avenue, Suite 100-S
Sacramento, CA 95825

RE: Response to State Lands Commission Inquiries Pertaining to Land Area for Truck Parking
at the Oakland Army Base – State Lands Commission Hearing on April 17, 2006

Dear Ms. Kato:

This letter is in response to queries your staff has received regarding the issue of truck parking on the former Oakland Army Base. From the point of view of the City, the proposed Oakland Army Base trust exchange and boundary settlement agreement will not affect the availability of truck parking on the Base. This conclusion is based on the prior commitments of the City and the Port of Oakland, as well as current land planning efforts

Specifically, the need for truck parking and other maritime ancillary uses to accommodate the needs of the Port of Oakland through the year 2020 has been considered and addressed by the San Francisco Bay Conservation and Development Commission (BCDC). In 2001, BCDC revised the San Francisco Bay Area Seaport Plan to reflect the Oakland Army Base Reuse Plan. As part of that revision, BCDC required that 105 acres of land on or around the base be reserved for truck parking and other ancillary maritime uses. The revised Seaport Plan requires the Port to provide 15 acres of truck parking and maritime ancillary use, in addition to the 75 acres already designated by BCDC within the Port's portion of the reuse area. The City is required to provide an additional 15-acre site for truck parking and ancillary maritime uses.

The proposed trust exchange and boundary settlement agreement will not alter these requirements. The agreement will resolve trust title uncertainties in the property in a manner that provides a net benefit to the public trust. Following the exchange, over 165 acres of reclaimed lands will be impressed with the trust and subject to public trust use limitations, and approximately 130 acres will be free of the trust. Both trust and non-trust lands will be available for ancillary maritime uses such as truck parking, and the Port and the City will continue to be subject to their obligations to provide for such uses under the Seaport Plan.

Under the exchange agreement, the Port will acquire approximately 150 acres presently owned by the Oakland Base Reuse Authority, to be included in the Port Development Area. In addition, the City intends to continue leasing approximately 45 acres within the Gateway Development Area presently managed by the Port for maritime ancillary uses, including all 19 acres of land that the Port currently leases for truck parking. City staff has begun the process of negotiating leases for these 45 acres with United Intermodal Services (24 acres), Pacific Mobile Repairs Services (1 acre), Fundis Company (2 acres), Oakland Maritime Support Services (15

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Ms. Janice Kato – State Lands Commission
April 12, 2006
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acres), and other Port tenants (3 acres), as generally identified in Attachment A. The Seaport Plan requirements and the City's continuation of existing leases will ensure that Port's truck parking and ancillary use needs are fully accommodated both in the near-term and into the foreseeable future.

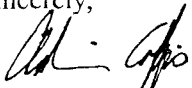
In addition to meeting the Port's maritime-related needs, the provision of land for maritime ancillary uses on the Army Base will help address the separate but related issue of reducing the impacts of truck activities within the adjacent West Oakland community. The health and well-being of the West Oakland community is affected by, among other things, illegal truck parking, truck traffic on local streets, and a concentration of truck-related services (e.g., repair shops) in the neighborhood. Ensuring that sufficient facilities exist for truck parking outside of the community is a part of the solution to this problem. The City has been working diligently to both accommodate trucks outside of West Oakland neighborhoods and to provide a more compatible set of land use standards to minimize future impacts. However, the City recognizes that other strategies are also required. The existing truck parking on the Army Base typically operates at less than 75% of full capacity. Unfortunately, despite this excess capacity at the Base, trucks continue to park illegally in West Oakland neighborhoods.

To address these concerns, the City has implemented a prohibition on new industrial and trucking related uses in West Oakland. The City and Port have also developed trucking routes that restrict truck traffic within the West Oakland community. Further, the 2002 Oakland Army Base Environmental Impact Report contains a number of mitigation measures that are to be implemented in connection with the future development of the Base, including the development of a truck management plan to reduce the effects of transport trucks on local streets. We are currently working on a set of specific recommendations to implement these measures as redevelopment at the Army Base proceeds.

The City is committed to employing these and other strategies needed to resolve the serious issues facing the West Oakland community. Approval of the proposed trust exchange will facilitate these efforts by allowing the City and Port to move forward with redevelopment efforts pursuant to the Reuse Plan, which will then trigger the mitigation measures provided in the Reuse Plan EIR, provide funding necessary to implement those measures, and provide a more specific land use planning context to regulate trucking activities.

I appreciate your time and attention to these matters. Please do not hesitate to contact me if you need further information. I can be reached at (510) 238 2229 or ccappio@oaklandnet.com.

Sincerely,



CLAUDIA CAPPPIO

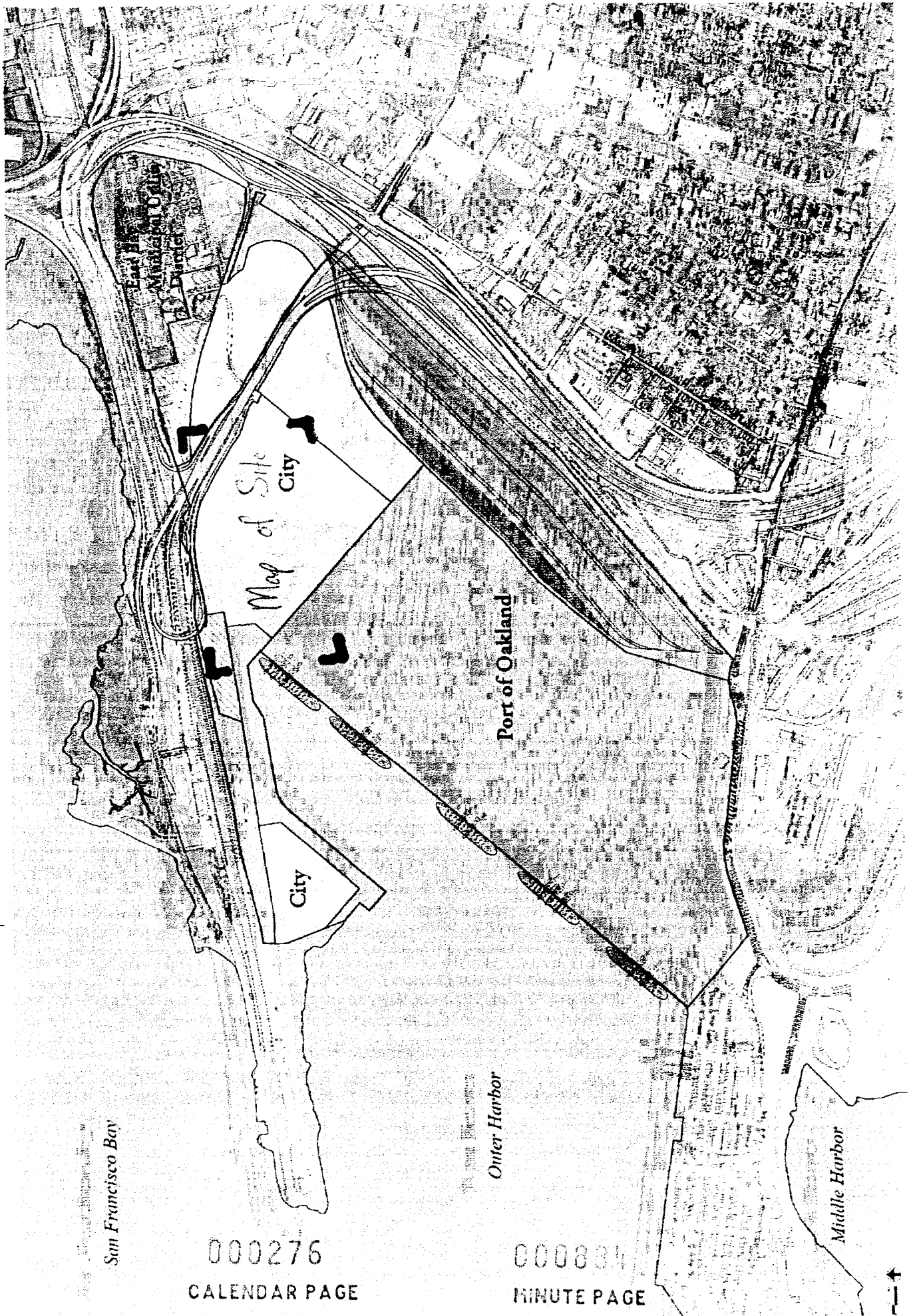
Director of Planning, Building, Major Projects
And the Oakland Base Reuse Authority

cc: OBRA Boardmembers
Deborah A. Edgerly, OBRA Executive Director
Alix Rosenthal, General Counsel

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CALENDAR PAGE

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MINUTE PAGE

Attachment A



San Francisco Bay

000276

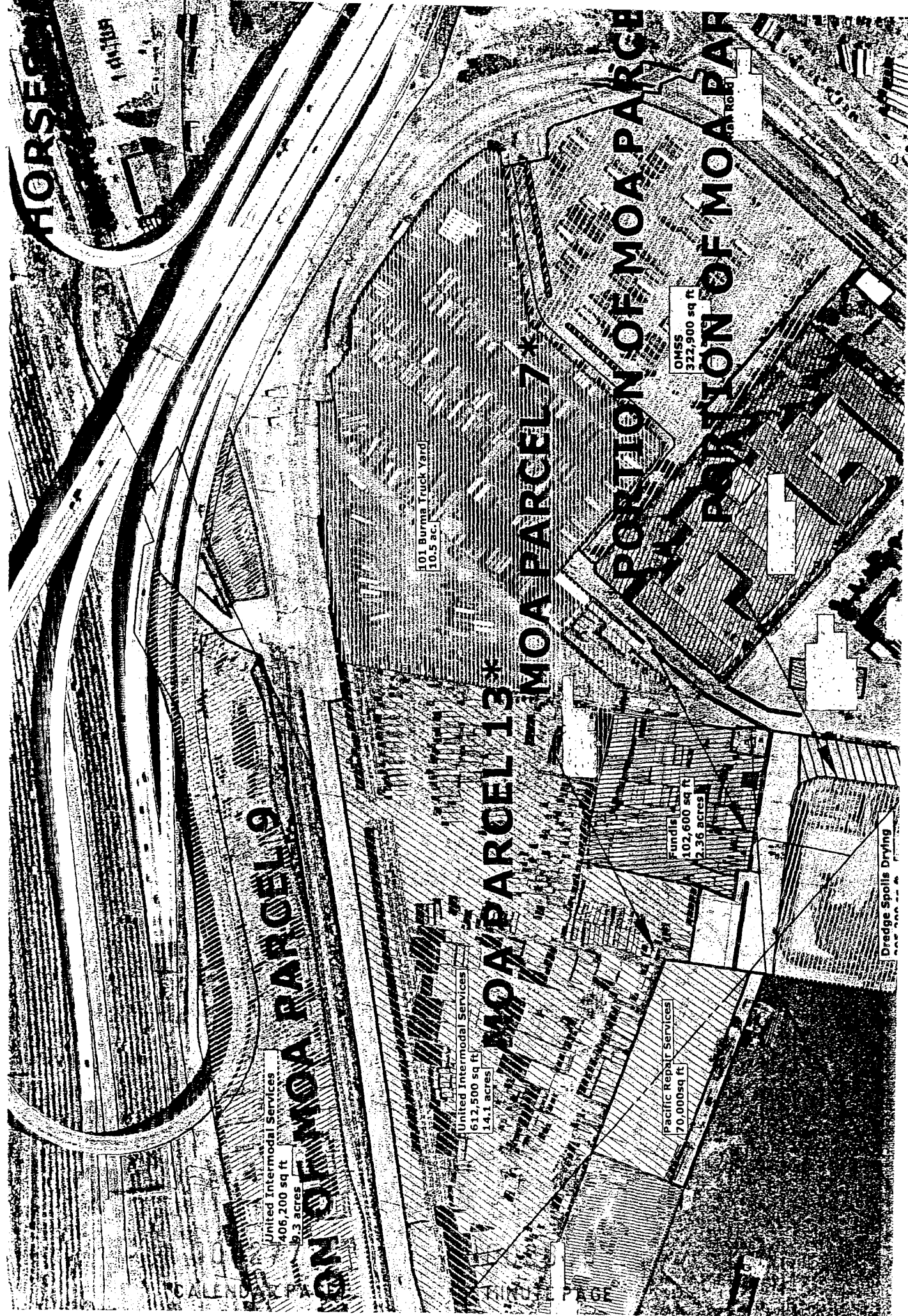
CALENDAR PAGE

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Attachment A



HORSE

PORTION OF MOA PARCEL 9
United Intermodal Services
406,200 sq ft
9.3 acres

101 Burma Truck Yard
10.5 ac.

MOA PARCEL 13*
MOA PARCEL 7*

United Intermodal Services
612,500 sq ft
14.1 acres

Pacific Repair Services
170,000sq ft

Funds
102,600 sq ft
2.36 acres

OMSS
322,900 sq ft

PORTION OF MOA PARCEL 13

PORTION OF MOA PARCEL 7

Dredge Spoils Drying