

AGENDA REPORT

Resolution: Approve and Authorize the Executive Director to Execute an Exclusive Negotiation Term Sheet with Athletics Investment Group LLC, dba the Oakland Athletics, a California Limited Liability Company, for a Term of Four Years for an Initial Payment of \$100,000 for Property Located at 1 Market Street, Oakland (Not a Project under the California Environmental Quality Act [CEQA]) **(CRE)**

MEETING DATE: 5/13/2019

AMOUNT: \$100,000 FY18-19
Revenue

PARTIES INVOLVED: Athletics Investment Group LLC,
dba the Oakland Athletics
Dave Kaval, President

SUBMITTED BY: Pamela Kershaw, Director of Commercial Real Estate

APPROVED BY: J. Christopher Lytle, Executive Director

ACTION TYPE: Resolution

EXECUTIVE SUMMARY

This matter is a request for approval of an Exclusive Negotiation Term Sheet (“Term Sheet”) with the Athletics Investment Group, LLC, dba the Oakland Athletics, a California Limited Liability Company (“Oakland A’s”) for property located at 1 Market Street, also known as the Howard Terminal site. The purpose of the Term Sheet is to establish a framework for further negotiations between the A’s and the Port of Oakland with regard to potential real estate transactions between parties, including a time period to allow the Oakland A’s adequate time to pursue necessary land use entitlements and conduct an environmental review under CEQA and other regulatory and public review for the potential development of a Stadium Mixed Use Project on the Howard Terminal site, as well as to continue on site soil and groundwater testing and inspection, and review Port property reports and other site due diligence information. The Term Sheet memorializes certain *non-binding* financial terms of potential real estate transaction documents with the Port of Oakland and development principles resulting from preliminary negotiations between the parties that will guide and be considered during further real estate negotiations and the environmental and regulatory review process. The Stadium Mixed Use Project will not be considered for approval and proceed unless and until the Board of Port Commissioners has reviewed and considered information produced from the environment review process under CEQA and the parties have negotiated, executed, and delivered mutually acceptable agreements based upon such information.

BACKGROUND

The Port owns an approximately 50-acre property located at 1 Market Street, which is commonly referred to as Howard Terminal. Container and ro-ro operations continued at Howard Terminal into 2013, and were closed for vessel loading/unloading in early 2014. The terminal was closed for this purpose as part of a larger, complex consolidation of marine terminals at the Port of Oakland – which involved three other terminals in addition to Howard Terminal – stemming from financial pressure on ocean carriers (and their marine affiliates) serving the US West Coast. Howard Terminal remains suitable for vessel loading/unloading activities given its deep-water berths (-42 MLLW), access to a wide and deep water federal navigation channel, and relatively square geometric configuration. However, because of its relatively small size (50.3 acres) relative to other modern container terminals, older container gantry cranes, and limited room for expansion (i.e. it is separated from the next nearest marine terminal by private land holdings) Howard Terminal is not desirable for loading and unloading of the larger container ships that call the Port. Therefore, without changes to one or more of these current physical limitations, Howard Terminal is better suited to the following types of marine uses: container operations for smaller vessel services that currently call other terminals; bulk operations; break-bulk operations; and ro-ro operations.

Since 2013, the Port identified and engaged with interested parties for potential long-term tenancies associated with these types of vessel loading/unloading operations, but these discussions did not materialize into leasing arrangements for a variety of reasons. As a result, Howard Terminal is currently being used for deep water vessel layup berthing, truck and container parking/depot operations, trucking companies, training of longshore workers by the Pacific Maritime Association, and similar ancillary logistics services that support Port operations. A site plan of the Howard Terminal property is attached to this report for reference.

Use and development of this site for both maritime and non-maritime activities, including for the development and operation of a baseball stadium proposal, has been discussed previously, and a summary timeline of some key events that have occurred affecting the property since 2013 is provided below:

- **July 2013:** The Port approves early termination of the container terminal lease with SSA Terminals, LLC (SSAT) for Howard Terminal;
- **October 2013:** The Port issues a Request for Proposals (“RFP”) to solicit maritime use proposals for Howard Terminal;
- **January 2014:** SSAT vacates the Howard Terminal site and relocates their operations to other Port owned property within the seaport, and Port staff begin executing short-term tenancy agreements for maritime support uses on the site while concurrently marketing the property for longer term maritime uses (both containerized and non-containerized);

- **February 2014:** The Port receives three maritime use proposals for Howard Terminal in response to the Howard Terminal RFP, and rejects all three proposals for various reasons;
- **March 2014:** The Port approves and authorizes execution of an Exclusive Negotiating Agreement with Oakland Waterfront Ballpark, LLC to negotiate terms of a potential baseball stadium development on the site;
- **November 2014:** Oakland Waterfront Ballpark, LLC requests early termination of the Exclusive Negotiating Agreement with the Port;
- **November 2014 - April 2018:** The Port engages in discussions with various potential marine-oriented users of Howard Terminal but these discussions do not result in the approval of any long-term tenancy agreements for the site;
- **July 2017:** Oakland A's announce that they are investigating 3 sites for a potential new baseball stadium development in Oakland (Laney College site, Howard Terminal site, Coliseum site);
- **January 2018:** Oakland A's contact the Port to discuss an Exclusive Negotiating Agreement ("ENA") to study a potential baseball stadium development at Howard Terminal;
- **April 26, 2018:** The Port approves a one-year ENA with the Oakland A's for the Howard Terminal site.

ANALYSIS

Since execution of the ENA in April of 2018, the Port and the Oakland A's have been negotiating the provisions of the Term Sheet proposed for Board consideration and approval. The Term Sheet would establish a framework for further negotiations between the A's and the Port with regard to potential real estate transactions between parties, including a time period to allow for the conduct of environmental review under CEQA and other regulatory and public review for the potential development of a Stadium Mixed Use Project on the Howard Terminal site, as well as to continue on site soil and groundwater testing and inspection, and review Port property reports and other site due diligence information.

The Term Sheet memorializes certain *non-binding* financial terms and development principles resulting from preliminary negotiations between the parties that will guide and be considered during further real estate negotiations and environmental and regulatory review processes. The Stadium Mixed Use Project will not be considered for approval and will not proceed unless and until the Board of Port Commissioners have reviewed and considered information produced from the environmental review under CEQA and the parties have negotiated, executed, and delivered mutually acceptable agreements based upon such information.

The proposed Stadium Mixed Use Project is a multi-faceted project on a site subject to numerous physical, regulatory, and use constraints, surrounded by various residential and business communities, Port operations, and other industrial/commercial uses. The Board's adoption of the Term Sheet will establish the preliminary framework for environmental review, community and stakeholder engagement, and consideration of numerous required public agency permits and approvals in the months ahead. The impending regulatory agency reviews include, but are not limited to, those required pursuant to:

- Approval of an Environmental Impact Report by the City of Oakland ("City"), as the Lead Agency for the Oakland Waterfront Ballpark District Project for purposes of compliance with the California Environmental Quality Act ("CEQA");
- Adoption of a General Plan amendment for the site by the City of Oakland to allow non-industrial/transportation uses on the site in addition to the current Port and maritime uses, as well as other potential City land use permit approvals;
- Approval of a Tidelands Trust Exchange Agreement by the State Lands Commission to address Tidelands Trust issues and the Port's obligations as trustee of state tidelands;
- Approval of a Major Permit and Seaport Plan/Bay Plan amendments by the San Francisco Bay Conservation and Development Commission ("BCDC") due to the location of the site adjacent to the Oakland Estuary;
- Approval by the State Department of Toxic Substances Control ("DTSC") to amend the current Covenant to Restrict the Use of the Property recorded on the property and approve any required investigation, remediation, and monitoring program for the site.

While the Oakland A's have already commenced many of these efforts concurrently during ENA negotiations with the Port, the A's, the Port, and the City of Oakland anticipate continuing engagement with surrounding communities, Port maritime tenants and industry stakeholders, and the public generally as part of the environmental review and planning process to ensure compatibility of uses between the proposed Stadium Mixed Use Project, surrounding communities, and current and future maritime port operations and transportation corridors. Additionally, the Term Sheet anticipates the development of a community benefits plan through a process of stakeholder engagement. Thus, the Term Sheet provides for a time frame and process by which an environmental impact report will be completed and regulatory and planning requirements are met, and establishes the financial and development principles for the specific negotiation of real estate transaction documents between the Oakland A's and the Port for the use of the property.

While the actual proposed Term Sheet with all attachments is included with this Agenda Report, a high-level summary of the key business terms included in the Term Sheet is provided below (where differences in language between the summary below and the actual proposed Term Sheet exist, the specific language contained within the proposed Term Sheet attached to this Agenda Report shall apply):

Premises	50+/- acres of land on Howard Terminal site as defined on illustrative exhibit (the "Master Premises"). The Master Premises do not include any open water areas, submerged lands, nor do they include any berthing, docking, wharfage, water use, or navigation rights.
Term	Commences from the date of Board approval of the Term Sheet ("Commencement Date") and terminates at the earlier of the execution of the Option Agreement (or such similar agreement granting A's rights to the Master Premises) or 4 years from the Commencement Date. If the Option Agreement has not been executed within 4 years of the Commencement Date, the Term Sheet shall terminate and all rights thereunder to negotiate lease or purchase all or any portion of the Master Premises shall expire.
Parties	Port and the Athletics Investment Group LLC dba the Oakland Athletics ("A's"); no assignment rights of Term Sheet without Board consent.
Payment to Port Under Term Sheet	<ul style="list-style-type: none"> a. \$100,000 due within 10 days of the Commencement Date. b. An additional \$150,000 due to Port on the date that is one year after the Commencement Date if the Option has not been executed as of such date. c. An additional \$200,000 due to the Port on the date that is two years after the Commencement Date if the Option has not been executed as of such date. d. An additional \$250,000 due to the Port on the date that is three years after the Commencement Date if the Option has not been executed as of such date.
Purpose of Term Sheet	<p>During the Term of the Term Sheet:</p> <ul style="list-style-type: none"> a. A's shall pursue any and all land use entitlements, at A's sole cost and expense, for potential development of a new stadium mixed use development project ("Stadium Mixed Use Project") on the Master Premises (including, without limitation, City of Oakland General Plan amendment, CEQA environmental review, City of Oakland Development Agreement, SLC Tidelands Trust compliance/resolution process with Port, BCDC design review permits and Seaport Plan amendment, DTSC remediation obligations, Port Master Building Permit, etc.) (collectively, the "Entitlements"); b. A's to have the right to conduct on site soil and groundwater testing and inspection and investigation of Master Premises (subject to Port review/approval of workplan, release and any other necessary permits/approvals, including a Port Temporary License Agreement, for such inspection/investigation) and review Port property reports and information related to the Master Premises and perform ongoing site due diligence, consistent with all adopted Port policies and law; and c. Port and A's to diligently and in good faith negotiate a mutually agreeable form of Option Agreement, including as

	<p>exhibits mutually agreeable forms of documents to implement transactions contemplated herein, which may consist of the Master Lease, Ballpark Lease, Vertical Development Phase Lease and Purchase and Sale Agreement (collectively, the "Transaction Documents"). It is the intent of the parties to finalize the mutually agreeable proposed forms of Transaction Documents for Board consideration concurrently with consideration of the EIR by the Board.</p>
Site Control	<p>If and until the Port approves the Option Agreement, subject to consideration of the Final EIR, Port to retain site control and possession of the Master Premises during the term of the Term Sheet. Port to retain all tenant leasing rights and tenant revenues from use of the Master Premises during the term of the Term Sheet. Commencing on the Commencement Date, the Port shall negotiate exclusively with the Oakland A's for any sale of or for any tenancy agreements having a term that expires after November 30, 2020 for any portion of the Master Premises, provided that such agreements shall be terminable upon six (6) months or shorter notice.</p>
No Port Financial Contribution	<p>No Port obligation to spend any Port funds on any aspect of site preparation or improvements (horizontal or vertical) to support the proposed Stadium Mixed Use Project or Term Sheet. Other than to devote appropriate internal Port staff resources to land use entitlements and mitigation monitoring for the Stadium Mixed Use Project, Port shall not be obligated to spend Port funds on any land use or regulatory entitlements for Stadium Mixed Use Project or on mitigations or regulatory conditions for Stadium Mixed Use Project. Should the Port in its reasonable discretion determine that outside consultants are necessary to provide technical expertise relating to the CEQA study or land use entitlements process, the A's shall pay a deposit for the payment of such consultant costs.</p>
Port CEQA Determination	<p>The approval and execution of the Term Sheet does not in any way commit the Port to any definite course of action regarding the proposed Stadium Mixed Use Project, including any future decision by the Port on whether to approve an option agreement, lease agreement or other real property transaction for the proposed Stadium Mixed Use Project to proceed. The Port, as a Responsible Agency under CEQA for the proposed Stadium Mixed Use Project, reserves all of its rights, responsibilities, obligations, powers, and sole discretion under the provisions of CEQA to: (i) evaluate the environmental impacts of the proposed Stadium Mixed Use Project; (ii) deny and disapprove the proposed Stadium Mixed Use Project; (iii) modify the Stadium Mixed Use Project as it may, in its sole discretion, be necessary to include or adopt feasible mitigation measures and/or an alternative to the proposed Stadium Mixed Use Project to avoid or lessen significant environmental impacts, including the "no project" alternative; or (iv) balance the benefits of the Project against any significant impact of the proposed Stadium Mixed Use Project prior to taking final action, if such impacts cannot be avoided.</p>
Approval of Proposed Project	<p>After the City has certified and adopted the final EIR, its general plan amendment and associated land use regulations for the Stadium Mixed</p>

	<p>Use Project, the Port will review and consider the environmental effects of the Project as shown in the Final EIR and will consider approval of a Port Building Permit, as such term is described in the Charter of the City of Oakland. The A's contemplate that the first application of the Port Building Permit will be submitted to the Port for consideration concurrently with the consideration of the Transaction Documents and Final EIR, and will cover the Stadium Mixed Use Project as described in the preliminary development plan approved by the City of Oakland (the "Project-Wide Port Building Permit"). For the purpose of considering and issuing the Project-Wide Port Building Permit, the Port will review the permit application for compliance with or adoption of (a) the Board's CEQA findings including consideration of all feasible alternatives and mitigation measures within its powers that would lessen or avoid significant impacts, (b) the City's General Plan designation and Project-specific land-use regulations, (c) the Port's general regulations, and (d) measures to ensure that the application does not impact or interfere with the Port's use or operations outside of or prior to the construction of the Project, including: (i) the Port's current or reasonably anticipated future use, operation, and development of Port facilities, properties, and utilities of Port tenants, Port contractors, or operators engaged in the maritime use of the Port Area; or (ii) the health and safety of the Port's employees, tenants, contractors, or operators engaged in Port operations in the Port Area (and their respective employees) as well as of the future occupants of the premises.</p> <p>As part of the permit application, the A's shall submit a comprehensive transportation and circulation plan that is within the scope of and consistent with provisions of the adopted Final EIR and to be implemented to minimize vehicular congestion from the Project and avoid conflict between vehicular and pedestrian traffic generated by the Project with Port seaport operations, including cargo truck routes and traffic. The Oakland A's may submit subsequent Port Building Permits as the Project development progresses for aspects of the Project, material amendments thereto, or specific buildings that have not been specifically approved under the Project-Wide Building Port Building Permit.</p>
<p>Indemnity to Port Against Challenge</p>	<p>A's shall indemnify, defend, and hold harmless the Port against and from any claims, liability, costs (including attorneys' fees and court costs) arising from third-party claims/challenges/litigation related to, caused by or arising from any Port approval of the Stadium Mixed Use Project, including but not limited to the review, determination, or approval under CEQA, of a Port Building Permit, or the Term Sheet, any lease or sale and purchase, or the obtaining of any regulatory approval.</p>
<p>Reservation of Port Land and Berthing Rights for Maritime Purposes</p>	<p>The Port is currently undertaking further studies of the need for and feasibility of expanding or reconfiguring the Inner Harbor Turning Basin of the Oakland Estuary. It is anticipated that the Port will request a feasibility and scoping study by the U.S. Army Corps of Engineers which may indicate the public necessity, if feasible, for a turning basin larger or smaller than that size provided for by the Maritime Reservation Lands, Reacquisition Lands, and Variant Lands. Therefore, it is currently contemplated that the following terms will be included in the Transaction Documents being negotiated, subject to review under CEQA.</p>

	<p>For 10 years after the Commencement Date, the Port shall have the right to elect to use any or all portions of the Maritime Reservation Lands or Reacquisition Lands (as defined below) for uses necessary to prepare for, construct, and operate an expansion or reconfiguration of the Inner Harbor Turning Basin, in which event (i) any rights of the A's to acquire and/or develop such Lands the Port has so elected shall be extinguished and (ii) the A's shall waive any claims to payments of compensation from the Port for its election except for a pro rata reduction of the fixed guaranteed minimum rent (but not any form of participation rent) payable under the Master Lease (if any).</p> <p>For 5 years after the Commencement Date, the Port shall have the right to elect to use any or all portions of the Variant Lands (as defined below) for uses necessary to prepare for, construct, and operate an expansion or reconfiguration of the Inner Harbor Turning Basin, in which event (i) any rights of the A's to acquire and/or develop such Lands the Port has so elected shall be extinguished and (ii) the A's shall waive any claims to payments of compensation from the Port for its election except for a pro rata reduction of the fixed guaranteed minimum rent (but not any form of participation rent) payable under the Master Lease (if any).</p> <p>For the Reacquisition Lands and Variant Lands, the Port's election to reserve shall also require the Port to reimburse the A's only for costs expended after the execution of a Master Lease for horizontal infrastructure improvements (but not for any costs for vertical improvements) constructed on the portions so elected.</p> <p>During the five or ten years during which the Port may elect to use the Variant Lands or Reservation or Reacquisition Lands, respectively, the Port shall retain the right to berth tugboats and similarly small watercraft (but not cargo vessels) in the water area outside of an adjacent to the Maritime Reservation Lands. The A's shall have the right to develop any portion of the Lands on which the Port has not yet elected such use, subject to the terms of the Option Agreement or Master Lease.</p> <p>The "Maritime Reservation Lands", "Reacquisition Lands", and "Variant Lands" means the portion of the Master Premises located generally within the southwestern corner of the site, adjacent to the Estuary, as more particularly depicted in Attachment A to the Term Sheet.</p>
<p>Legal Effect of Term Sheet</p>	<p>The purpose of the Term Sheet is to memorialize the <i>preliminary</i> terms that have been negotiated among the parties, and to inform the public regarding the goals and principles identified by the Port staff and Board of Port Commissioners that will guide the proposal to develop the Stadium Mixed-Use Project throughout the public review process. The Term Sheet is intended to provide a general framework for the subsequent negotiation of definitive agreements regarding the development and operation of the Stadium Mixed-Use Project and is not intended to create any binding contractual obligations on any party or to commit any party to a particular course of action. A transaction of this type involves many essential terms and conditions that have not yet been agreed upon, and it is expressly contemplated by the parties that, in order to effectuate the Stadium Mixed-Use Project, binding agreements will have to be negotiated, agreed to by the parties and ultimately submitted to the Board of Commissioners for approval. The Stadium Mixed-Use Project shall not proceed unless and until the parties have negotiated,</p>

	executed and delivered mutually acceptable agreements based upon information produced from the CEQA environmental review process and on other public review and hearing processes and subject to all applicable governmental approvals.
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The Term Sheet also includes as an attachment, a “Key Business Terms and Principles” exhibit, a copy of which is attached to and included as part of this Agenda Report, which forms the framework of a financial structure for a possible future Option Agreement, Master Lease Agreement, Vertical Development Lease(s), and Purchase and Sale Agreement(s). This Key Business Terms and Principles exhibit, while non-binding, will inform more detailed deliberations between the Port and the A’s during the term of the Term Sheet with the intention that the parties will negotiate in good faith to achieve terms materially consistent with the financial parameters of the Key Business Terms and Principles.

It is important to note that execution of the proposed Term Sheet is in no way intended to bind or commit either the Oakland A’s or the Port to a definitive course of future action, and any proposal to authorize execution of an Option Agreement or other real estate transaction agreements for the property requires the preparation and consideration of the Final EIR, as discussed previously, and will require future consideration and approval by the Board of Port Commissioners at a subsequent public meeting following all required legal procedures.

Based on the terms and conditions of the proposed Term Sheet described above and the analysis contained within this Agenda Report and attachments, staff believes that the request to enter into this Term Sheet with the Oakland A’s is appropriate and recommends approval of this matter.

BUDGET & STAFFING

The proposed Term Sheet includes a payment to the Port in the amount of \$100,000 during the current FY18-19, which represents additional revenue for the Port above what was included in the FY18-19 adopted budget. Future payments will be incorporated into subsequent operating budgets developed for FY 19-20 and beyond. In addition, during the term of the Term Sheet the Port will retain site control and possession of the premises, and will continue to receive all revenues from any Port tenants located on the site.

There is no staffing impact from approval of the proposed Term Sheet as the property is currently managed by existing Port staff.

MARITIME AVIATION PROJECT LABOR AGREEMENT (MAPLA)

The matters included in this Agenda Report do not fall within the scope of the Port of Oakland Maritime and Aviation Project Labor Agreement (MAPLA) and the provisions of the MAPLA do not apply to the approval of the Term Sheet. However, as noted in this agenda report and the Key Business Terms and Principles exhibit, it is anticipated that a Community Benefits Agreement, which incorporates workforce provisions as well as other community benefits, will

be negotiated during the timeframe of the Term Sheet, City CEQA review and land use entitlement process, and incorporated into future real estate transaction documents.

STRATEGIC PLAN

The action described herein would help the Port achieve the following goals and objectives in the Port's Strategic Business Plan (2018-2022).

<https://www.portoakland.com/wp-content/uploads/Port-of-Oakland-Strategic-Plan.pdf>

- Goal: Grow Net Revenues
- Goal: Serve Our Community

LIVING WAGE

Living wage requirements, in accordance with the Port's Rules and Regulations for the Implementation and Enforcement of the Port of Oakland Living Wage Requirements (the "Living Wage Regulations"), do not apply because the requested action is not an agreement, contract, lease, or request to provide financial assistance within the meaning of the Living Wage Regulations. However, as noted in this agenda report and the Key Business Terms and Principles exhibit, it is anticipated that a Community Benefits Agreement, which incorporates workforce provisions as well as other community benefits, will be negotiated during the timeframe of the Term Sheet, City CEQA review and land use entitlement process, and incorporated into future real estate transaction documents.

SUSTAINABILITY

While the approval of the proposed Term Sheet itself does not provide opportunities for incorporation of sustainable practices, it is anticipated that sustainable environmental design features, practices, and policies will be incorporated during the land use entitlement and regulatory agency permitting and review processes of the proposed Stadium Mixed Use Project.

ENVIRONMENTAL

CEQA Determination

The proposed approval of the Term Sheet has been determined to be exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines, Article 19, Section 15378(a), in that the approval of the Term Sheet is not a project, because the approval of a Term Sheet simply commits the Port and the Oakland A's to a limited period of continued exclusive negotiations regarding the property, and does not bind or commit either party to a future course of action nor include the approval of any project for the site nor any change in land use pattern for the site. As required by CEQA Guidelines

Section 15004(b)(4), this pre-approval agreement does not grant any vested development entitlements and, as described in this Agenda Report:

- Conditions the agreement on compliance with CEQA;
- Does not bind or commit the Port or the A's to any definite course of action prior to CEQA compliance;
- Specifically allows the Port to consider all feasible mitigation measures and alternatives, including the 'no project' alternative; and
- Allows the Port to deny the project.

GENERAL PLAN

Approval of the Term Sheet does not change the use of any existing facility, make alterations to an existing facility, or create a new facility; therefore, a General Plan conformity determination pursuant to Section 727 of the City of Oakland Charter is not required for approval of the Term Sheet. However, as mentioned previously within this Agenda Report, the City of Oakland will need to consider and approve a General Plan amendment for the site in order for the proposed Stadium Mixed Use Project to proceed.

OWNER-CONTROLLED INSURANCE PROGRAM (OCIP)

This action is not subject to the Port's Owner Controlled Insurance Program (OCIP) as it is not a capital improvement construction project.

OPTIONS

- Approve and authorize the execution of an Exclusive Negotiation Term Sheet with Athletics Investment Group LLC, dba the Oakland Athletics, a California Limited Liability Company, subject to the terms and conditions described within this agenda report. This is the recommended action.
- Do not approve or authorize the execution of an Exclusive Negotiation Term Sheet with Athletics Investment Group LLC, dba the Oakland Athletics, a California Limited Liability Company.
- Approve and authorize the execution of an Exclusive Negotiation Term Sheet with Athletics Investment Group LLC, dba the Oakland Athletics, a California Limited Liability Company, subject to terms and conditions different than those described within this agenda report, which depending on the nature of any changes to terms and conditions, may not be acceptable to the Oakland A's.

RECOMMENDATION

It is recommended that the Board adopt a resolution to approve and authorize the Executive Director to execute an Exclusive Negotiation Term Sheet with the Athletics Investment Group LLC, dba the Oakland Athletics, a California Limited Liability Company, for a term of four years for an initial payment amount of \$100,000, which increases thereafter each year, for

property located at 1 Market Street, as further described in this Agenda Report and subject to approval as to form and legality by the Port Attorney. It is further recommended that if the subject Exclusive Negotiation Term Sheet is not fully executed within 30 days after Board approval then the subject approval shall be null and void, unless extended by the Executive Director, in his sole and absolute discretion.