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SunCal unveils details of Oak Knoll project at former Naval Medical Center Oakland

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SunCal Cos. plans to take its preliminary development plan for Oak Knoll before the Oakland Planning Commission in early September.

If approved by the Planning Commission and then the City Council, the Irvine master developer could go forward with grading and building at the 183-acre former Naval Medical Center Oakland, located north of Interstate 580 between the Keller Avenue and Golf Links Road exits. SunCal plans to sell lots to home builders after the infrastructure is done.

The preliminary development plan, which includes design guidelines for residential neighborhoods and tentative vesting maps, lays out how parcels will be used, their density and circulation patterns, said Gary Patton, Oakland planning and zoning deputy director.

The commission will also be asked to certify the final Supplemental Environmental Impact Report for Oak Knoll, and to OK conditions of approval that specify "who does what and when" during the construction process, Patton said.

SunCal representatives did not return multiple calls and an e-mail in time for publication.

The company still plans to build 34 million-dollar executive homes along a ridge on the eastern side of the project, to which neighbors continue to object, Patton said. The proposed ridge development would have views of San Francisco, but may block the views of existing homes in the area.

"The neighbors just don't want houses built that will impede their view

line," said Al Auletta, redevelopment project manager for Oak Knoll.

The city feels some development is "probably appropriate" in the area, but it has not specified a number of units, Patton said.

"I am sure we are going to spend a lot of time on that subject at the Planning Commission meeting," Patton said.

The Planning Commission typically meets on the first and third Wednesdays each month, or Sept. 3 and Sept. 17 this fall.

SunCal bought 167 acres of the former naval hospital property for \$100.5 million at a 2006 public auction. Of the remaining land, the city redevelopment agency owns 5.5 acres, while a treatment center and a credit union operate separately on about nine acres.

Plans call for 960 units of housing, ranging from apartments to estate homes and including 72 units of affordable housing; 40 to 50 acres of open space including public trails and parks; and 82,000 square feet of commercial retail, including a grocery store. SunCal also plans to restore the historic 20,000-square-foot Club Knoll building, Rifle Range Creek and playing fields for public and private use. Development is planned in four phases.

SunCal put the project "on hold" for a few months from October 2007 to March, which coincided with the credit crunch and a worsening housing market, Auletta and Patton said. The company reviewed its portfolio of

projects and decided which ones to proceed with, and they included Oak Knoll, Patton said.

Because of the tighter credit market, cash is at a premium and that has also been an issue for SunCal, Auletta said.

Although East Oakland is among the East Bay neighborhoods hardest hit by the rising tide of foreclosures, a SunCal representative has said the company will go forward with a first phase of 300 to 400 units on the west side of Rifle Range Creek to be delivered in 2010. Timing of subsequent phases will depend on the market, the representative said.

"We are optimistic," Auletta said. "We want them to be successful."

The property includes 83 buildings, all targeted for demolition except Club Knoll. SunCal began tearing down structures last month, according to Patton. The former hospital building, stripped of fittings by copper thieves and without ceilings on each floor, will be imploded at some point, he said.

The Oak Knoll Redevelopment Area, expanded in December 2006 by adding the Central City East redevelopment area, is expected to produce about \$1 billion in tax increment revenue over its 45-year span. The area is east of International Boulevard from Lake Merritt to the San Leandro border.

Oak Knoll was a golf course and country club until 1941, when the U.S. government converted it into a naval hospital. The site was decommissioned in 1996.