

# California Construction

## Wood Partners to Resume Construction of Oakland's City Walk Project

June 10, 2010

After nearly three years since construction was halted on Oakland's half-finished City Walk project following a bankruptcy filing by the original general contractor, UPA of Reno, multifamily real estate firm Wood Partners has stepped in to resume the development.

With financing secured, Wood Partners' office in San Francisco says construction would begin this week. Wood Partners purchased the site nine months ago, and since then has worked diligently to assemble the financing and regulatory approvals to complete the project.

Located two blocks from Oakland's City Hall at 1307 Jefferson St. at 14th St., the site is one of the most visible in downtown.

Local officials have long had high hopes that the urban infill project would be a key part of the city's ongoing revitalization.

The Olson Co. was the original developer when construction ceased in October 2007. MVE was the architect then and is still active in the design elements. The new general contractor is James E. Roberts/Obayashi.

"It's been a long road, with a number of complex issues to resolve, so it's very gratifying to reach this point," says Frank Middleton, director of the West Coast division of Wood Partners. "Now we'll be able to fulfill the potential of this project and deliver a true asset to downtown Oakland."

The new community will include 264 Class-A apartment homes in four six-story buildings, as well as a street-level retail component. Construction could be completed as early as mid-2011.

Wood Partners says it purchased the highly distressed property of City Walk in late 2009, and then faced the task of raising more than \$30 million in construction debt.

The city of Oakland played a pivotal role in bringing the financing package together, agreeing in April to Wood Partners' request for a \$5 million loan. At that point, Wood Partners had approximately 85% of the necessary funding in place. The city loan improved the project's debt-to-equity ratio, which in turn allowed Wood Partners to secure the balance of funding.

Issuing the loan will be the city's redevelopment agency, which says in a report that eventually the city would see at least \$465,000 annually in property and business taxes.



Photo: MVE Architects

After nearly three years since construction was halted on Oakland's half-finished City Walk project, multifamily real estate firm Wood Partners has stepped in to resume the development.

“In this economic climate, assembling the right financial package can be difficult,” says Wood Partners’ Brian Pianca, who is overseeing the project. “The city of Oakland understands what City Walk means to downtown, and stepped in at a critical juncture to help us get it across the finish line.”

Wood Partners says the project will generate the equivalent of more than 170 full-time onsite jobs, with another 75 to 100 office workers to support construction. Because the project is partially complete with most of the material already purchased and on site, the majority of the \$39 million construction budget will go towards wages.

Upon completion, Wood Partners says City Walk will offer area residents the first new apartment homes in the city center in approximately two years.