

Development restarts at stalled City Walk

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The shrink wrap covering Oakland's City Walk is coming down. Construction crews will resume work next week on the half-built, 264-unit apartment project after a three-year stall.

Wood Partners, the firm that took over the project last year, finally lined up enough financing to restart construction on the site at 1307 Jefferson St.

"It's been a long road, with a number of complex issues to resolve, so it's very gratifying to reach this point," said 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." He declined further comment.

City Walk has been troubled for years. It was started as a condo project in 2005 by the Olson Co., which bought the site from Oakland's redevelopment agency in 2004 for \$8.7 million. In 2007, the contractor stopped work and declared bankruptcy. Olson sued the contractor, and by the time the suit was settled, the market for condos in Oakland plummeted.

Last year Wood Partners, a national apartment developer, bought the property from Olson for \$5 million but struggled to obtain financing. The City of Oakland's redevelopment agency agreed a few months ago to lend the firm \$5 million.



Renewed: Wood Partners kept the same design, added 12 units to City Walk.

According to a redevelopment agency report, Wood Partners estimated the development cost at \$55 million and found a lender offering a \$26.5 million loan. With the city's loan, the property's leverage would be close to 60 percent and therefore, financially viable.

Patrick Lane, a program manager for Oakland's Community & Economic Development Agency, said the city was concerned about fixing what had become a blighted eyesore just blocks behind its major civic and office center.

"We're not building housing right now and we need to build a certain amount of housing at all times," he said.

Wood Partners expects to finish the project by the end of 2011.