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Wilder Project Status: TBD

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Satellite photo by Google online maps <http://maps.google.com/>

Although the outcome of OG Property Owner LLC's plans to develop the Gateway Valley in Orinda into a residential community of 245 luxury homes remains unknown, people on all sides of the project seem invested in working things out.

"This case is unique because the developer has stayed engaged with the project and is actively working to refinance," stated James Baron, the court-appointed Receiver who took possession and control of the OG property, better known as Wilder, in late April.

Baron and other parties involved with the Wilder project addressed the Orinda City Council last Tuesday evening as the Council received an update on the City's agreement for the Wilder project. Council Member Steve Glazer recused himself from the discussion as he regularly does in matters related to Wilder due a financial relationship that he maintains with one of the partners involved in the development.

City counsel Fran Layton reported that the property owners

are negotiating with the lender, Merrill Lynch, to buy out the \$180 million loan associated with the project.

Although a tentative drop-dead date for the loan buy-out agreement to be executed had been set for Friday, June 19th, extending the timeline for reaching an agreement seemed possible. And as of Friday, there appeared to be no change in the status of the project. "OG remains in good faith negotiations with Merrill Lynch to purchase the note," stated Jason Keadjian, the spokesperson for OG Property, late Friday afternoon.

In addition to the mortgage note on the property held by Merrill Lynch (now Bank of America), contractors have filed approximately \$20 million in liens for work that has already been completed at the site.

"Given the complexity, size, and scope of the project, I would not be surprised if this bumped along for a while," stated Baron, adding that it was unlikely that there would be a bankruptcy filing in the case.

Baron reported that over the past two and half months he has addressed weed abatement, water, mosquito and security issues on the property along with handling payment for some of the outstanding expenses. Layton confirmed that the bulk of the monies owed to the city of Orinda by the developer have been reimbursed, and Baron confirmed that any recent charges would also be covered.

Baron noted that all of the involved parties including the lender, the developer, and the city staff and officials have worked collaboratively to move toward a positive a resolution. "I think a negotiated solution is the best outcome for this project," he stated.

At the conclusion of the public hearing on the issue, Vice Mayor Tom McCormick requested that the Council receive an update on the status of the project negotiations directly from representatives of Merrill Lynch and Farrallon Capital Management, LLC, a principal investor in the property, at the next Council meeting on July 7th.

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