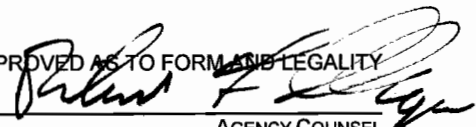


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OFFICE OF THE CITY CLERK
OAKLAND
2008 JUN 26 PM 8:24

APPROVED AS TO FORM AND LEGALITY

AGENCY COUNSEL

REDEVELOPMENT AGENCY
OF THE CITY OF OAKLAND
2008 - 0075
RESOLUTION NO. _____ C.M.S.

A RESOLUTION AUTHORIZING THE AGENCY ADMINISTRATOR TO AMEND THE DISPOSITION AND DEVELOPMENT AGREEMENT TO PROVIDE FOR A BRIDGE LOAN BETWEEN THE AGENCY AND FOX OAKLAND THEATER INC (FOT), A NON-PROFIT ENTITY, IN AN AMOUNT NOT TO EXCEED \$7,450,000 TO FUND THE COMPLETION OF THE FOX THEATER RENOVATION PROJECT

WHEREAS, the Agency entered into a Disposition and Development Agreement (DDA) in December 15, 2006 with Fox Oakland Theater Inc.(FOT) for the purpose of developing the Fox Theater with financial assistance as follows: (1) a loan in the amount of \$33,500,000, including (a) \$22,500,00 in new Central District capital and operating funds, (b) \$3,000,000 already expended under a predevelopment loan and (c) \$6,500,000 in previously expended acquisition and capital improvement costs; (d) \$1,500,000 to advance funds for a fire insurance settlement; (2) a guarantee to secure a \$6,500,000 commercial loan, for construction and long-term financing; and (3) authorize reimbursement to FOT for the following sums: (a) the California Cultural and Historic Endowment (CCHE) Proposition 40 Grant in the amount of \$2,887,500; and (b) the State Historic Preservation Office Grant in the amount of \$375,000; and

WHEREAS, FOT has successfully added to the above sources including: (1) \$1,064,250 in additional CCHE funds, (2) \$13,156,000 in Historic Tax Credits, (3) \$8,610,000 in New Markets Tax Credits, (4) \$726,500 in additional insurance proceeds; and (5) \$594,000 in HUD funding; and

WHEREAS, FOT has successfully secured new funding sources amounting to \$14.4 million; and

WHEREAS, the Agency evaluated the costs of renovating the Fox Theater and determined that in order to complete the project on schedule it will need to provide FOT with a bridge loan in the amount of \$7,450,000; and

WHEREAS, the bridge loan is intended to be repaid with funds anticipated from: (1) Historic Tax Credits, (2) additional Prop 40 funding, (3) a HUD Grant, (4) a HUD Urban Infill Grant and, (5) a contribution from Friends of the Oakland Fox; and

WHEREAS, the Agency hereby finds and determines on the basis of substantial evidence in the record that the Initial Study and Mitigated Negative Declaration fully analyzes the potential environmental effects of the project and incorporates mitigation measures to substantially lessen or avoid any potentially significant impacts in accordance with CEQA. None of the circumstances necessitating preparation of additional environmental review as specified in CEQA and the CEQA Guidelines, including without limitation Public Resources Code Section 21166 and CEQA Guidelines Section 15162, are present in that (1) there are no substantial changes proposed in the project or the circumstances under which the project is undertaken that would require major revisions of the Initial Study/Mitigated Negative Declaration due to the involvement of new environmental effects or a substantial increase in the severity of previously identified significant effects; and (2) there is no "new information of substantial importance" as described in CEQA Guidelines Section 15162(a)(3); now, therefore, be it

RESOLVED: That the Agency has independently reviewed and considered this environmental determination, and the Agency finds and determines that this action complies with CEQA because this action on the part of the Agency does not necessitate preparation of a subsequent or supplemental EIR Section 15162 (subsequent EIRs and negative declarations); and be it further

RESOLVED: That the Agency Administrator or her designee shall cause to be filed with the County of Alameda a Notice of Exemption for this action; and be it further

RESOLVED: That the Agency hereby finds and determines that the Agency loan FOT for the Fox Theater Project furthers the purposes of the California Community Redevelopment Law, contributes to the elimination of blight in the Central District Redevelopment Project Area, conforms to the Central District Redevelopment Plan, including its Implementation Plan, and furthers the goals and objectives of said Redevelopment Plan in that: (1) the Project will increase entertainment opportunities in the Central District; (2) the Project will provide necessary neighborhood-serving retail facilities lacking in the Central District; (3) the Project, once developed, will create permanent jobs for low and moderate income people, including jobs for area residents; (4) the Project will help create a stable 24 hour community which will enhance the viability of retail businesses in the area; (5) the Project will redevelop a key underutilized site in the Central District; (6) the Project will improve environmental design within the Central District; and (7) the Project, once developed, will enhance depreciated and stagnant property values in the surrounding areas, and will encourage efforts to alleviate economic and physical blight conditions in the area; and be it further

RESOLVED: That the Agency hereby approves amending the Fox Theater Disposition and Development Agreement to authorize a loan in the amount of the \$7,450,000 under the terms and conditions set forth in this resolution; and be it further

RESOLVED: That funds totaling \$7,450,000 shall be allocated from Agency funds, organizations and projects and moved to separate Central District Operating Fund in the organization and new project number to be established as detailed in the table below:

Amount	Fund	Organization	Project	Description
\$4,676,474	9510	90411	00000	Accrued interest Funds 9532 and 9533
\$1,806,540	9510	Various	S00800	Unspent salary appropriations
\$53,904	9510	105320	A00610	Unspent salary appropriations
\$913,082	9521	NA	Fund Balance	Transfer - 9521 City Hall W Earthquake
\$7,450,000	9510	94800	TBD	Fox Theater Bridge Loan

and be it further

RESOLVED: That the Agency Administrator is authorized to negotiate, approve, and execute an appropriate amendment to the DDA; and be it further

RESOLVED: That all documents related to this transaction shall be reviewed and approved by Agency Counsel prior to execution, and copies will be placed on file with the Agency Secretary; and be it further

RESOLVED: That the custodians and locations of the documents or other materials which constitute the record of proceedings upon which the Agency's decision is based are respectively: (a) the Community & Economic Development Agency, Projects Division, 250 Frank H. Ogawa Plaza, 5th Floor, Oakland CA; (b) the Community & Economic Development Agency, Planning Division, 250 Frank H. Ogawa Plaza, 3rd Floor, Oakland CA; and (c) the Office of the City Clerk, 1 Frank H. Ogawa Plaza, 1st Floor, Oakland, CA.

IN AGENCY, OAKLAND, CALIFORNIA, JUL 15 2008, 2008

PASSED BY THE FOLLOWING VOTE:

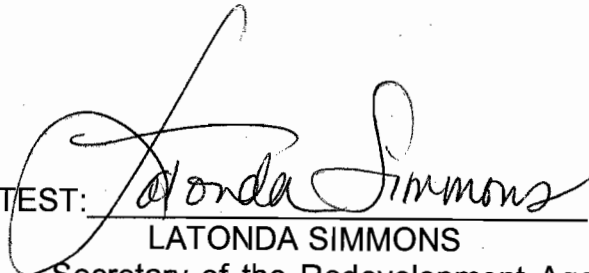
AYES- BROOKS, BRUNNER, CHANG, KERNIGHAN, NADEL, QUAN, REID AND CHAIRPERSON DE LA FUENTE, - 8

NOES- 0

ABSENT- 0

ABSTENTION- 0

ATTEST:



LATONDA SIMMONS

Secretary of the Redevelopment Agency of the City of Oakland, California