

REVISED
11-18-08

Approved as to Form and Legality

A. Lewis

Agency Counsel

REDEVELOPMENT AGENCY
OF THE CITY OF OAKLAND

2008-0103

Resolution No. _____ C.M.S.

RESOLUTION AUTHORIZING 1) A COLISEUM REDEVELOPMENT REVOLVING LOAN IN AN AMOUNT NOT TO EXCEED \$170,500, AND 2) A COLISEUM COMMERCIAL TENANT IMPROVEMENT AND FAÇADE IMPROVEMENT GRANT IN AN AMOUNT NOT TO EXCEED \$90,000, TO REVOLUTION FOODS, INC. FOR THE COMPANY'S RELOCATION AND EXPANSION

WHEREAS, the Redevelopment Agency of the City of Oakland (the "Agency") is a catalyst through which a successful commercial, retail and industrial revitalization strategy can emerge in a redevelopment Project Area; and

WHEREAS, a key strategy and major goal of the Redevelopment Plan for the Coliseum Area Redevelopment Project is to strengthen commercial functions in the Project Area; and

WHEREAS, California Health and Safety Code Section 33444.5 provides that an agency may establish a program to loan funds to owners or tenants for the purpose of rehabilitating commercial buildings and Section 34444.6 authorizes agencies to make loans for financing of facilities or capital equipment in connection with such rehabilitation of industrial buildings within a Project area; and

WHEREAS, in accord with the Community Redevelopment Law, the Coliseum Redevelopment Revolving Loan fund was established to strengthen retail and other commercial functions in the Project Area; and

WHEREAS, Revolution Foods, Inc. has applied to the Redevelopment Agency for a \$170,500 Coliseum Redevelopment District Loan and a \$90,000 Commercial Tenant Improvement Program Grant to purchase kitchen equipment and undertake tenant improvements for its expansion at its new site at 8383 Capwell Drive, Oakland, CA; and

WHEREAS, the Agency's loan and grant funds to Borrower will be used to rehabilitate property in the Coliseum Redevelopment Project Area that will be used for industrial purposes; and

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WHEREAS, financial assistance from the Agency is necessary for the economic feasibility of the business' relocation and expansion, and the assistance cannot be obtained on economically feasible terms in the private market; and

WHEREAS, the principals of Revolution Foods, Inc., are capable and experienced business owners who have committed to provide substantial equity to complete this expansion project; and

WHEREAS, staff of the City and its contracted business loan processor, Oakland Business Development Corporation, have reviewed the Revolution Foods' business plan and pro forma cash flow statements, and both recommend loan approval because they conclude that Borrower will be able to successfully repay the Agency's loan, on the terms and with the conditions listed below; and

WHEREAS, Revolution Foods Inc. plans to create at least 10 new, permanent jobs in the next two year period, which shall be filled by low-and moderate income Oakland residents; and

WHEREAS, the Coliseum Redevelopment Project Area has \$90,000 in funds available in its Commercial Tenant Improvement Program Fund (9450) Coliseum Redevelopment Org. 88659, Coliseum Tenant Improvement Project (T324410); and

WHEREAS, sufficient Redevelopment Agency Coliseum Redevelopment Loan Funds are available to fund the proposed loan in the amount of \$170,500 from the Coliseum Commercial Lending Revolving Loan Expenditure Fund No. 9450 (Coliseum; Operations), Org. 88579 (One Stop Capital Shop aka Commercial Lending), Account No. 58312 (Loan Expenditures) Project No. G02951 (Coliseum); and

WHEREAS, the requirements of the California Environmental Quality Act of 1970 ("CEQA"), the CEQA Guidelines as prescribed by the Secretary for Resources, and the provisions of the Environmental Review Regulations of the City of Oakland have been satisfied; now, therefore, be it

RESOLVED: That the Agency hereby authorizes an allocation of a Coliseum Redevelopment Loan of Agency funds in an amount not to exceed \$170,500, to fund a loan to Revolution Foods, Inc; and be it

FURTHER RESOLVED: That sufficient Redevelopment Agency Coliseum Redevelopment Loan Funds are available to fund the proposed loan in the amount from the Coliseum Commercial Lending Revolving Loan Expenditure Fund No. 9450 (Coliseum; Operations), Org. 88579 (One Stop Capital Shop aka Commercial Lending), Account No. 58312 (Loan Expenditures) Project No. S82600 (Coliseum); and be it

FURTHER RESOLVED: That the making of the Agency loan shall be contingent upon and subject to such appropriate terms and conditions as the Agency Administrator, or his designee, may determine, which shall include, but not limited to, the following:

1. The Agency loan shall be subject to a 5% interest rate and amortized over a 10-year term, with one hundred twenty equal monthly principal and interest payments and a City of Oakland servicing fee of 1% of each monthly payment.

2. The Loan shall be secured by business assets such that collateral coverage is 1:1.
3. The Loan funds shall be used for purchase and installation of machinery and equipment; and be it

FURTHER RESOLVED: That the making of the Agency Tenant Improvement and Façade Improvement Grant shall be in accord with the Grant program requirements; and be it

FURTHER RESOLVED: That within two years after the initial loan disbursement by the Agency, Revolution Foods, Inc. shall create at least 3 new, permanent jobs which shall be filled by low-and-moderate income Oakland residents, and an additional 7 new permanent jobs which shall be filled by residents from Oakland's Enhanced Enterprise Community Designated areas; and be it

FURTHER RESOLVED: That the Agency Administrator, or his designee, is authorized to conduct negotiations, execute documents, administer the contract and make amendments thereto, modify or extend the agreement, and take any other action necessary with respect to the agreements and their amendments consistent with this Resolution and its basic purpose; and be it

FURTHER 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 by the City is exempt from CEQA pursuant to sections 15301(a) (existing facilities) and Section 15183 (projects consistent with a community plan, general plan or zoning) of the CEQA Guidelines; and be it

FURTHER RESOLVED: That the Agency Administrator or his designee shall cause a Notice of Exemption and an Environmental Declaration (California Fish and Game Code Section 711.4) for this action to be filed with the County of Alameda; and be it

FURTHER RESOLVED: That all agreements shall be approved as to form and legality by Agency Counsel and shall be placed on file in the Office of the Secretary of the Redevelopment Agency.

IN AGENCY, OAKLAND, CALIFORNIA, DEC 9 2008 2008

PASSED BY THE FOLLOWING VOTE:

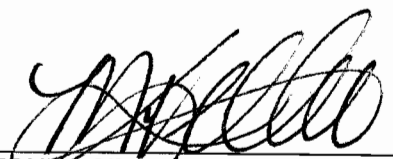
AYES - BRUNNER, KERNIGHAN, NADEL, QUAN, BROOKS, REID, CHANG, AND
CHAIRPERSON DE LA FUENTE - 8

NOES - 0

ABSENT - 0

ABSTENTION - 0

ATTEST:


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