

**REDEVELOPMENT AGENCY
OF THE CITY OF OAKLAND
AGENDA REPORT**

OFFICE OF THE CITY CLERK
2007 MAY 22 PM 3:39

To: Office of the City/Agency Administrator
Attn: Deborah Edgerly
From: Agency / Department
Date: May 22, 2007

Re: Agency Resolution Adopting The Coliseum Commercial Façade Improvement Program, Allocating \$125,000 For The Program From FY 2007-2008 Coliseum Redevelopment Funds, And Authorizing The Agency Administrator To Enter Into Grant Contracts And Third-Party Design Contracts Necessary To Administer The Program Without Returning To The Agency

Agency Resolution Adopting The Coliseum Commercial Tenant Improvement Program, Allocating \$250,000 For The Program From FY 2007-2008 Coliseum Redevelopment Funds And Authorizing The Agency Administrator To Enter Into Grant Contracts And Third-Party Design Contracts Necessary To Administer The Program Without Returning To The Agency

SUMMARY

This item requests Redevelopment Agency approval of two resolutions adopting a Commercial Façade Improvement Program (FIP) and a Tenant Improvement Program (TIP) in the Coliseum Redevelopment Project Area and allocating \$375,000 to the programs from Coliseum Redevelopment funds. In addition, this report requests authorization for the Agency Administrator to execute grant agreements and third-party design contracts for both programs without returning to the Agency.

FISCAL IMPACTS

A total of \$375,000 (\$125,000 for the FIP and \$250,000 for the TIP) will be allocated from FY 2007-08 Coliseum Operations Fund (9450), Coliseum Redevelopment Organization (88659), Coliseum – Staff Project (S82600).

This expenditure will have no negative impact on the General Fund. On the contrary, funding for the Tenant Improvement Program and the Façade Improvement Program may result in an increase in sales and business tax revenue for the City of Oakland, which will augment the General Fund in future years.

Item No. _____
CED Committee
May 22, 2007

BACKGROUND

The principal objective of the Coliseum Area Redevelopment Plan is the elimination of physical and economic blight. Toward that end the Agency implemented a combination of programs and projects to redevelop vacant and underutilized properties and replace obsolete infrastructure. The FIP and TIP are two additional programs to assist in furthering blight reduction. By funding small-scale, public/private improvement projects, these programs are expected to improve the appearance and function of commercial properties and to catalyze economic development.

Similar programs have been established in the Downtown, Broadway/MacArthur/San Pablo, Central City East, and West Oakland Project Areas. The Downtown Façade and Tenant Improvement Programs, created in 1999 and 2003 respectively, are the oldest. Since 2003, the retail vacancy rate in the Downtown has fallen from 25% to 8% and 87 new business have moved into the area.

KEY ISSUES AND IMPACTS

Program Description

The Coliseum Façade and Tenant Improvement Programs are modeled after the existing Downtown, Broadway/MacArthur/San Pablo, and Central City East programs. These partnership programs match private sector funds dollar-for-dollar up to the program limit of \$30,000 for the FIP and \$45,000 for the TIP. In addition to the matching grants, the programs each offer up to \$5,000 in free architectural design assistance per project. The FIP will cover commercial areas outside of Neighborhood Commercial Revitalization (NCR) areas and augment NCR funding for projects within NCR areas.

By providing incentives to property or business owners, the FIP and TIP are intended to promote retail activity, update and modernize older buildings, improve the pedestrian experience, and help support other redevelopment projects by enhancing the appearance of commercial and mixed-use properties within the Coliseum Redevelopment Project Area. All façade improvements must be visible from the public right-of-way.

The programs will primarily operate on International Boulevard from 23rd Avenue to the San Leandro border; East 12th Street from 23rd Avenue to 50th Avenue; San Leandro Street from Fruitvale Avenue to 47th Avenue and from 66th Avenue to 75th Avenue; Edes Avenue from Hegenberger Road to 85th Avenue and from 97th Avenue to 105th Avenue; and Hegenberger Road from San Leandro Street to Doolittle Drive. The eligibility of properties at other locations will be determined on a case by case basis to advance economic development strategies in alignment with redevelopment area goals. Retail space along the targeted corridors varies from 1,500 to 22,000 square feet. The average grant for interior improvements is estimated to be \$45,000. The frontage of commercial properties in the targeted areas varies from less than 50 to

over 200 linear feet, and the average FIP grant is estimated to be \$20,000. The current available budget of \$375,000 is estimated to cover the cost of five façade improvement and five tenant improvement projects.

SUSTAINABLE OPPORTUNITIES

Economic:

The Façade and Tenant Improvement Programs will improve the physical and economic health of the Redevelopment Project Area through the elimination of blight. The programs will also encourage property owner investment in buildings which will increase tax revenue to the Agency, and attract new retail businesses which will increase sales tax to the City.

Environmental:

Rehabilitated buildings preserve a range of building stock and conserve energy and materials more than new construction. Participants of the programs will be encouraged to use green building techniques such as energy conserving designs and appliances, recycled content building materials, low waste construction techniques, and water conserving fixtures.

Social Equity:

The goal of both programs is to improve the physical and economic conditions of the Redevelopment Project Area. New businesses created through the programs will also increase job opportunities in the Project Area.

DISABILITY AND SENIOR CITIZEN ACCESS

Any new construction or improvements that are implemented as a result of a grant award from the Coliseum TI or FI programs will be required to comply with city, state, and federal ADA requirements.

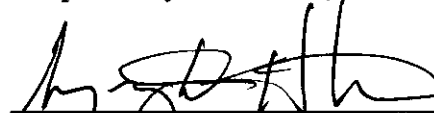
RECOMMENDATIONS AND RATIONALE

Staff recommends approval of the resolution adopting the Coliseum Commercial Façade and Tenant Improvement Programs, appropriating \$375,000 for the programs, and authorizing the Agency Administrator to make grants and enter into design contracts for the programs without returning to the Agency. This authority will expedite the allocation of grant funds and the contracting process. This same authorization was previously approved for the Downtown, Broadway/San Pablo/MacArthur, and Central City East Façade and Tenant Improvement programs. The TIP and FIP have been proven, through application in other redevelopment project areas, to be effective tools for reducing retail vacancy rates.

ACTION REQUESTED OF THE COUNCIL AND AGENCY MEMBERS

Staff requests that the Agency approve the two Agency Resolutions to adopt the Coliseum Façade and Tenant Improvement programs, allocate \$375,000 to fund both programs, and provide authorization to execute the contracts necessary to administer the Façade and Tenant Improvement programs.

Respectfully submitted,

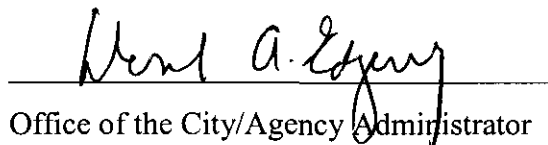


Gregory Hunter, Interim Director of
Redevelopment, Economic Development,
Housing and Community Development

Prepared by:
Hui Wang,
Urban Economic Analyst II

Daniel Seamans,
Redevelopment Assistant

**APPROVED AND FORWARDED TO
THE COMMUNITY AND ECONOMIC
DEVELOPMENT COMMITTEE**



Office of the City/Agency Administrator

OFFICE OF THE CITY CLERK
Approved as to Form and Legality
2007 MAY 12 11 38 AM '07
Agency Counsel

REDEVELOPMENT AGENCY OF THE CITY OF OAKLAND

Resolution No. _____ C.M.S.

**A RESOLUTION ADOPTING THE COLISEUM
COMMERCIAL TENANT IMPROVEMENT PROGRAM,
ALLOCATING \$250,000 FOR THE PROGRAM FROM FY
2007-2008 COLISEUM REDEVELOPMENT FUNDS, AND
AUTHORIZING THE AGENCY ADMINISTRATOR TO
ENTER INTO GRANT CONTRACTS AND THIRD-PARTY
DESIGN CONTRACTS NECESSARY TO ADMINISTER
THE PROGRAM WITHOUT RETURNING TO THE
AGENCY**

WHEREAS, the Coliseum Redevelopment Project Area contains many commercial properties in need of revitalization and physical improvement; and

WHEREAS, the staff of the Community and Economic Development Agency have prepared a Tenant Improvement Program for the Coliseum Redevelopment Project (the "Program") to provide incentives for property, business owners, and tenants to rehabilitate and revitalize commercial buildings and/or storefronts within targeted commercial areas in the Coliseum Redevelopment Project Area; and

WHEREAS, such rehabilitation and revitalization will assist in the elimination of blight and assist with retaining and attracting businesses and increasing job opportunities in the Project Area; and

WHEREAS, the program is consistent with and will further the purposes of the Coliseum Redevelopment Plan and its Five-Year Implementation Plan; and

WHEREAS, the Agency desires to authorize the Agency Administrator or her designee to make grants and execute design contracts for the Program within the budget available for this purpose; and

WHEREAS, the Agency finds that the design contracts will be for services of a professional nature, and the services under these contracts will be temporary; and

WHEREAS, the Agency finds that the design contracts will not result in the loss of employment or salary by any person having permanent status in the competitive service; now, therefore, be it

RESOLVED: That the Agency hereby adopts the Coliseum Tenant Improvement Program to provide matching grants of up to \$45,000 and architectural services of up to \$5,000 per tenant improvement project for commercial properties throughout the Coliseum Redevelopment Project Area; and be it

FURTHER RESOLVED: That the Agency hereby allocates \$250,000 from FY 2007-2008 Coliseum Operations Fund (9450), Coliseum Redevelopment Organization (88659), Coliseum - Staff Project (S82600) to a new project to be established within the same Fund for the implementation of the Tenant Improvement Program; and be it

FURTHER RESOLVED: That the Agency authorizes the Agency Administrator or her designee to adopt guidelines for the Program, to make grants and execute all design contracts under the Program within the budget available for these purposes without returning to the Agency, and to take other action with respect to the Program and the grants consistent with this Resolution and its basic purposes.

IN AGENCY, OAKLAND, CALIFORNIA, _____, 2007

PASSED BY THE FOLLOWING VOTE:

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

NOES -

ABSENT -

ABSTENTION -

ATTEST:

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

Approved as to Form and Legality


Agency Counsel

REDEVELOPMENT AGENCY OF THE CITY OF OAKLAND

Resolution No. _____ C.M.S.

A RESOLUTION ADOPTING THE COLISEUM COMMERCIAL FAÇADE PROGRAM, ALLOCATING \$125,000 FOR THE PROGRAM FROM FY 2007-2008 COLISEUM REDEVELOPMENT FUNDS, AND AUTHORIZING THE AGENCY ADMINISTRATOR TO MAKE GRANTS AND ENTER INTO DESIGN CONTRACTS UNDER THE PROGRAM WITHOUT RETURNING TO THE AGENCY

WHEREAS, the Coliseum Redevelopment Project Area contains many commercial properties in need of revitalization and physical improvement; and

WHEREAS, the staff of the Community and Economic Development Agency operate Commercial Façade Improvement Programs in other commercial districts in Oakland that provide incentives for property and business owners to rehabilitate and revitalize commercial buildings and/or storefronts offering matching grants and limited architectural design services; and

WHEREAS, the staff of the Community and Economic Development Agency have prepared a Commercial Façade Improvement Program for the Coliseum Redevelopment Project (the "Program") to provide incentives for property and business owners to rehabilitate and revitalize commercial buildings and/or storefronts within targeted commercial districts of the Coliseum Redevelopment Project Area; and

WHEREAS, the Program is consistent with and will further the purposes of the Coliseum Redevelopment Plan and its Implementation Plan; and

WHEREAS, the Agency desires to authorize the Agency Administrator to make grants and execute all design contracts for the Program within the budget available for this purpose; and

WHEREAS, such rehabilitation and revitalization will assist in the elimination of blight and assist with retaining and attracting businesses and increasing job opportunities in the Project Area; and

WHEREAS, the Agency finds that the design contracts will be for services of a professional nature, and the services under these contracts will be temporary; and

WHEREAS, the Agency finds that the design contracts will not result in the loss of employment or salary by any person having permanent status in the competitive service; now, therefore, be it

RESOLVED: That the Agency hereby adopts the Coliseum Commercial Façade Improvement Program to provide matching grants, as well as architectural services of up to \$5,000 per property, for commercial properties throughout the Coliseum Redevelopment Project Area under the Citywide program guidelines adopted by the Agency for façade improvement programs; and be it

FURTHER RESOLVED: That the Agency hereby allocates \$125,000 from FY 2007-2008 Coliseum Operations Fund (9450), Coliseum Redevelopment Organization (88659), Coliseum – Staff Project (\$82600) to a new project to be established within the same Fund for the implementation of the Façade Improvement Program; and be it

FURTHER RESOLVED: That the Agency authorizes the Agency Administrator or her designee to make grants and negotiate and execute all grant contracts and design contracts under the Program within the budget available for these purposes without returning to the Agency, and to take other action with respect to the Program and the grants consistent with this Resolution and its basic purposes.

IN AGENCY, OAKLAND, CALIFORNIA, _____, 2007

PASSED BY THE FOLLOWING VOTE:

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

NOES –

ABSENT –

ABSTENTION –

ATTEST:

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