

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

FILED
OFFICE OF THE CITY CLERK
OAKLAND

2008 NOV 20 PM 4:33

To: Office of the City/Agency Administrator
Attn: Dan Lindheim
From: Community and Economic Development Agency
Date: December 2, 2008

**Re: An Agency Resolution Allocating \$125,000 To The West Oakland
Redevelopment Project Area Façade Improvement Program And Allocating
\$125,000 To The West Oakland Redevelopment Project Area Tenant
Improvement Program; and**

**An Agency Resolution Allocating \$300,000 To The Coliseum Redevelopment
Project Area Façade Improvement Program And Allocating \$245,000 To The
Coliseum Redevelopment Project Area Tenant Improvement Program**

SUMMARY

Staff has prepared two resolutions that allocate Redevelopment Agency ("Agency") funds for façade and tenant improvement programs in the West Oakland and Coliseum Redevelopment Project Areas. Both programs offer matching grants to businesses and property owners for the improvement of their properties. The Façade Improvement Program ("FIP") offer grants for improvements to building exteriors and the Tenant Improvement Programs ("TIP") offer grants for interior improvements. These programs provide valuable tools for revitalization and vacancy reduction throughout their respective projects areas. These allocations will allow these programs to continue to address blight issues in redevelopment project areas.

FISCAL IMPACT

There will not be any negative impact on the General Fund from these actions. Funding for both areas totals \$795,000. (\$425,000 for the FIPs and \$370,000 for the TIPs). Funds will be allocated as follows:

- **\$125,000** from West Oakland Redevelopment Operations Fund and Project (Fund 9590, Org. 88679, Project S233510) to West Oakland FIP: (Fund 9590, Org. 88679, Acct. 57311, Project T288410)
- **\$125,000** from West Oakland Redevelopment Operations Fund and Project (Fund 9590, Org. 88679, Project S233510) to West Oakland TIP: (Fund 9590, Org. 88679, Acct. 57311, Project T288510)
- **\$300,000** from Coliseum Operations Fund and Project (Fund 9450, Org. 88659, Project S82600) to Coliseum FIP (Fund 9450, Org. 88659, Acct, 57311, Project T324510)

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- **\$245,000** from Coliseum Operations Fund and Project (Fund 9450, Org. 88659, Project S82600) to Coliseum TIP (Fund 9450, Org. 88659, Acct, 57311, Project T324410)

BACKGROUND

The City's first FIP was adopted by the City Council pursuant to Resolution No. 73818 C.M.S. on September 30, 1997. It was administered by the Neighborhood Commercial Revitalization ("NCR") Program and was funded from federal Community Development Block Grant funds. Since its inception, the FIP has expanded from commercial corridors in the former NCR districts to several of the City's redevelopment areas and is now administered by Redevelopment Division staff.

The West Oakland FIP was adopted on January 17, 2006 pursuant to Resolution No. 2006-0001 C.M.S., with an allocation of \$100,000. The Coliseum Redevelopment Project Area adopted its FIP on June 5, 2007 pursuant to Resolution No. 2007-0042 C.M.S., with an original allocation of \$125,000. An additional \$100,000 was added to the Coliseum FIP on December 4, 2007 pursuant to Resolution No. 2007-0079 C.M.S. These programs have helped each of these redevelopment projects address blight issues throughout the respective project areas.

The Tenant Improvement Program ("TIP") began in the Central District Project Area and was adopted by the City Council in 2003. Its intention was to reduce vacancy rates by offering an incentive to prospective tenants and property owners to open new businesses in vacant storefronts. The concept was successful and has been adopted in the City's redevelopment areas as a means to alleviate economic blight by helping businesses and property owners to use buildings that have been vacant for at least six months.

The West Oakland Project Area TIP was adopted on January 17, 2006 by Resolution Number 2006-0003 C.M.S., with an allocation of \$125,000. The Coliseum Project Area TIP was adopted on June 5, 2007 by Resolution Number 2007-0043 C.M.S., with an allocation of \$250,000. An additional \$100,000 was added to the Coliseum TIP on December 4, 2007 pursuant to Resolution No. 2007-0080 C.M.S. The TIP provides a valuable incentive for attracting new uses to vacant buildings throughout all these redevelopment project areas.

KEY ISSUES AND IMPACTS

The façade and tenant improvement programs have each been successful in their respective project areas. To date, the West Oakland programs have completed 6 façade improvement projects and 0 tenant improvement projects. There are 2 façade improvement projects and 3 tenant improvement projects in progress in the West Oakland Project Area. The Coliseum programs have completed 4 façade improvement projects and 2 tenant improvement projects.

There are 9 façade improvement and 9 tenant improvement projects in progress in the Coliseum Project Area.

Although these programs have proven to be a useful tool for revitalization and vacancy reduction throughout the City's redevelopment project areas, there are still many sites that could benefit from improving their exterior and/or interior conditions. All of the programs are experiencing strong demand from the public and will shortly run out of grant monies for prospective clients. These additional funds will enable staff to continue to implement façade and tenant improvement projects.

Community Support For The Façade and Tenant Improvement Programs

The West Oakland Project Area has a project area committee that advises the Oakland Redevelopment Agency on redevelopment policy matters which affect the residents and businesses. The West Oakland Project Area Committee recommended \$250,000 for the continued implementation of the West Oakland Façade and Tenant Improvement Programs on October 1, 2008. These programs are consistent with the West Oakland 2008-2013 Implementation Plan's goals of assisting neighborhood commercial revitalization, attracting neighborhood-serving retail uses, retaining existing businesses, attracting new businesses to the Project Area, promoting economic development, and improving substandard buildings.

The Coliseum's 2004-2009 Implementation Plan contains the goals of attracting and retaining new businesses and the revitalization of neighborhood commercial areas in its Project Area. As the Coliseum Redevelopment Project Area does not have a project area committee, staff calculated the requested amounts based on prior projects and current demand.

PROJECT DESCRIPTION

The Façade and Tenant Improvement Programs

The FIP provides matching grants for private and non-profit property owners to improve storefronts and visible exterior portions of their buildings. Grants are available for property improvements such as new paint, storefronts, windows, lighting, signage and landscaping. The FIP grants are based on the building's linear feet and are capped at \$30,000. The FIP also provides free architectural assistance of up to \$5,000 for each project's design.

The TIP provides matching grants up to \$45,000 to property and business owners for tenant improvements to the interiors of vacant commercial spaces. The program is designed to assist property owners in attracting retail businesses to locations that are difficult and costly to renovate, and to encourage new retail businesses to locate within the Project Area. The TIP is only available for commercial spaces that have been vacant for six months or longer and have a prospective tenant. Architectural design assistance of up to \$5,000 is also available for the TIP

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project's design. Eligible TIP expenses include: hazardous materials abatement, demolition and shell reconstruction, plumbing, mechanical, electrical & HVAC, interior design and décor, compliance with the Americans with Disabilities Act, and historic restoration of interior features.

Both programs were designed as public/private partnerships and require the financial participation of businesses and/or property owners. Eligible projects can combine both FIP and TIP funds. Projects for the programs are evaluated on their ability to bring positive change to their project area and on their budget and timeframe.

Location of the West Oakland and Coliseum Redevelopment Project Areas

The West Oakland Redevelopment Project Area covers 1,565 acres in West Oakland and is approximately bounded on the north by the Oakland/Emeryville city limits and 40th Street, on the east by I-980 and Mandela Parkway and Union Streets, on the south by 18th Street and Middle Harbor Road, and on the west by Pine and Wood Streets. A map of the West Oakland Project Area is included as *Attachment A*.

The Coliseum Redevelopment Project Area covers approximately 11 acres in East Oakland. Its boundaries are the San Leandro border to the south, 22nd Avenue to the north, International Boulevard to the east and the Oakland Estuary, San Leandro Bay and Oakland International Airport to the west. A map of the Coliseum Project Area is included as *Attachment B*.

SUSTAINABLE OPPORTUNITIES

Economic: These programs help revitalize commercial corridors and scattered commercial sites throughout their respective redevelopment project areas. They help improve the project area's physical appearance and economic health by providing incentives for property owners and businesses to improve their properties.

Environmental: These programs help stimulate increased usage of underutilized properties in their respective redevelopment project areas.

Social Equity: The financial assistance provided by these programs help all business and property owners improve their sites in these redevelopment project areas.

DISABILITY AND SENIOR CITIZEN ACCESS

All FIP and TIP projects will comply with all local and state accessibility requirements as well as the Americans with Disabilities Act.

RECOMMENDATION AND RATIONALE

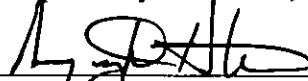
Staff recommends approval of the attached resolutions allocating monies to FIP and TIP programs in the West Oakland and Coliseum Redevelopment Project Areas. These allocations will allow these programs to continue to address blight issues in these redevelopment project areas.

ACTION REQUESTED OF THE REDEVELOPMENT AGENCY/CITY COUNCIL

Staff recommends that the Redevelopment Agency approve the following resolutions:

- Allocating \$125,000 to the West Oakland Redevelopment Project Area Façade Improvement Program and allocating \$125,000 to the West Oakland Redevelopment Project Area Tenant Improvement Program;
- Allocating \$300,000 to the Coliseum Redevelopment Project Area Façade Improvement Program and allocating \$245,000 to the Coliseum Redevelopment Project Area Tenant Improvement Program; and

Respectfully submitted,



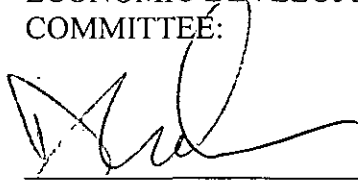
Dan Lindheim, Director
Community and Economic Development Agency

Reviewed by:
Gregory Hunter, Deputy Director
Economic Development and Redevelopment

Patrick Lane, Redevelopment Area Manager

Prepared by: Wendy Simon, Urban Economic Analyst IV

APPROVED AND FORWARDED
TO THE COMMUNITY AND
ECONOMIC DEVELOPMENT
COMMITTEE:



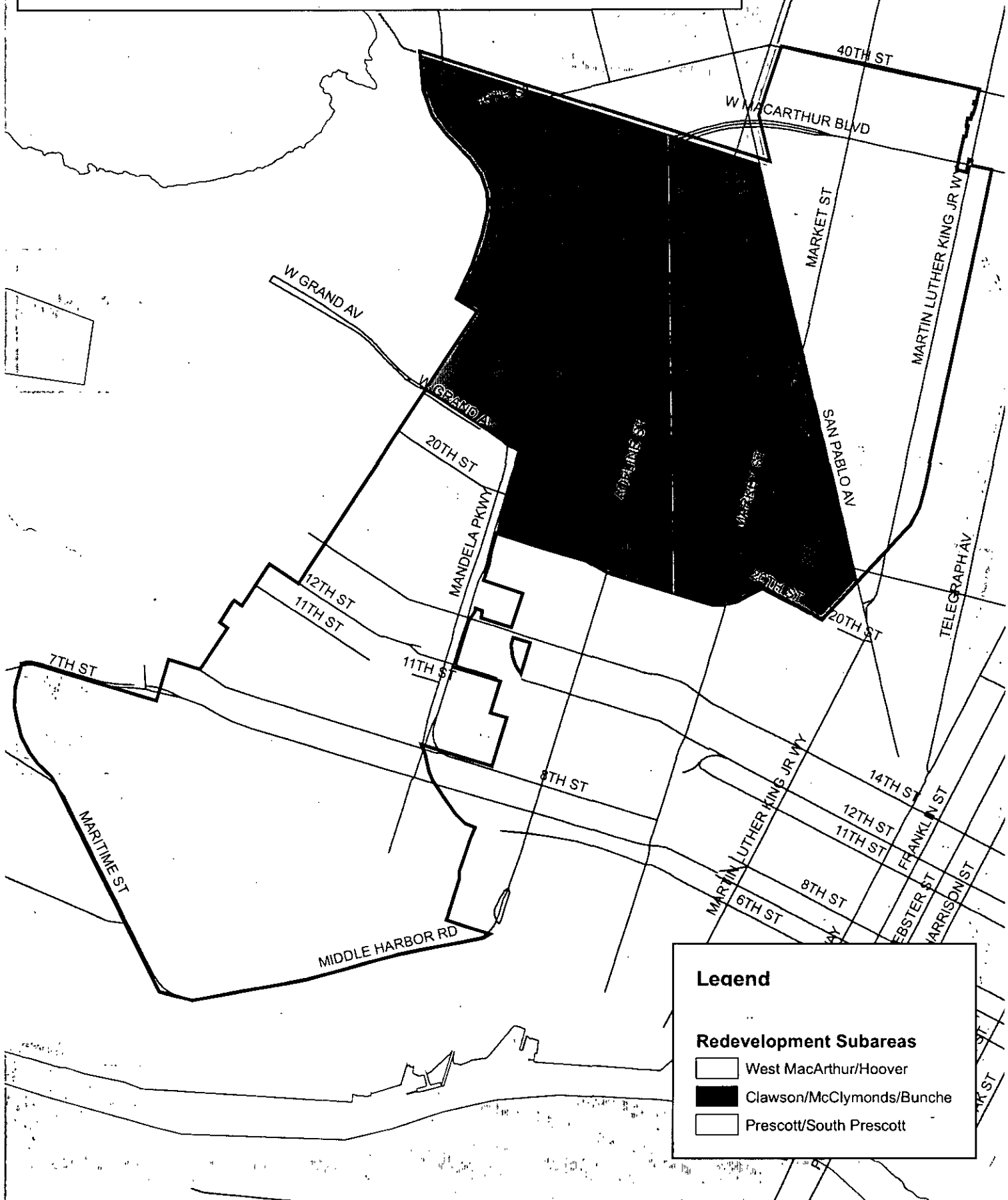
Office of the City/Agency
Administrator

Attachment A: Map of the West Oakland Redevelopment Project Area

Attachment B: Map of the Coliseum Redevelopment Project Area




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Attachment A: West Oakland Redevelopment Project Area

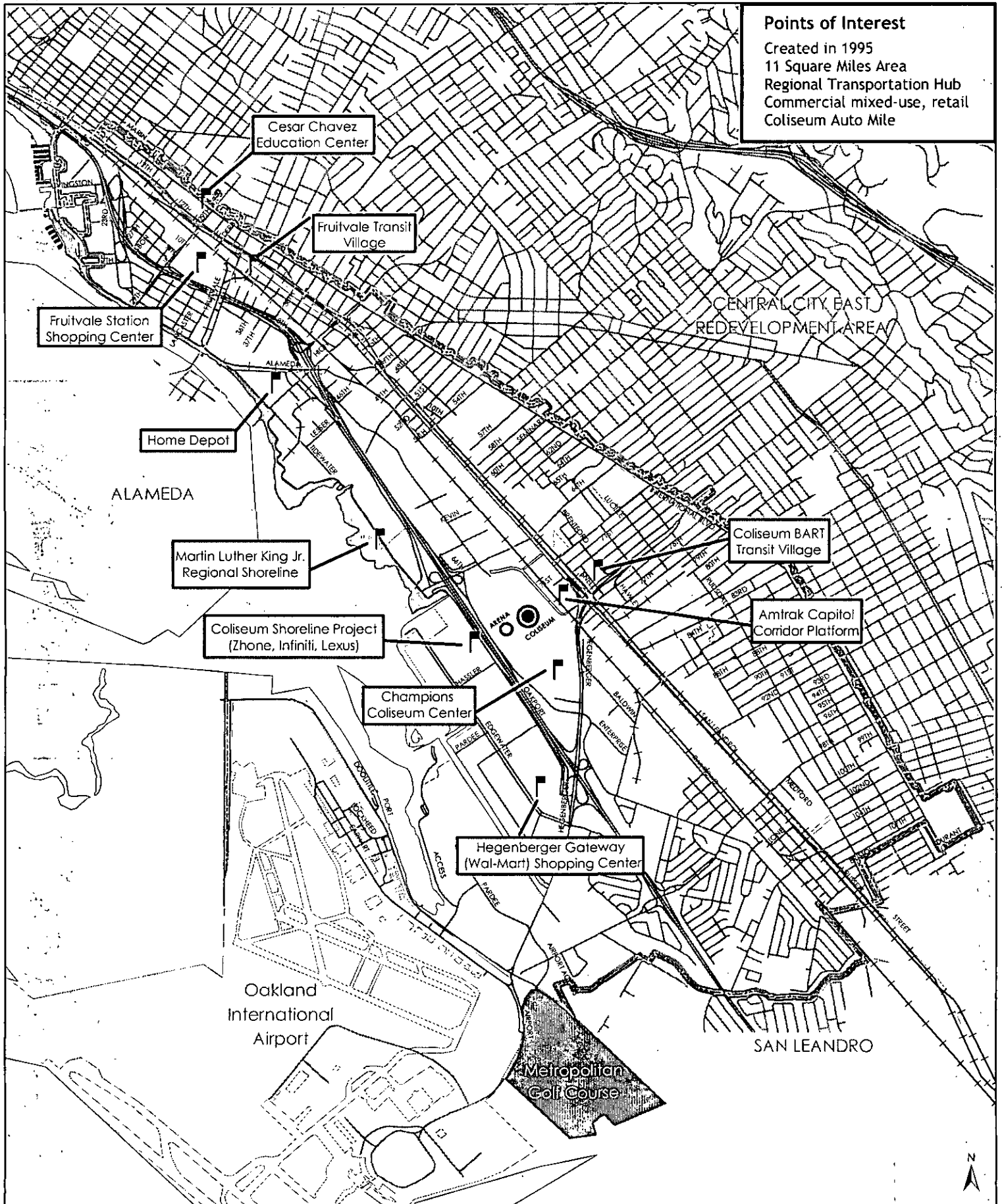


Legend

Redevelopment Subareas

-  West MacArthur/Hoover
-  Clawson/McClymonds/Bunche
-  Prescott/South Prescott

Attachment B: Coliseum Redevelopment Project Area



Points of Interest
 Created in 1995
 11 Square Miles Area
 Regional Transportation Hub
 Commercial mixed-use, retail
 Coliseum Auto Mile

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APPROVED AS TO FORM AND LEGALITY:


Agency Counsel

REDEVELOPMENT AGENCY OF THE CITY OF OAKLAND

RESOLUTION No. _____ C.M.S.

AN AGENCY RESOLUTION ALLOCATING \$125,000 TO THE WEST OAKLAND REDEVELOPMENT PROJECT AREA FAÇADE IMPROVEMENT PROGRAM AND ALLOCATING \$125,000 TO THE WEST OAKLAND REDEVELOPMENT PROJECT AREA TENANT IMPROVEMENT PROGRAM

WHEREAS, the West Oakland 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 been implementing the Commercial Façade Improvement Program for the West Oakland Redevelopment Project to provide incentives for property, business owners, and tenants to rehabilitate and revitalize commercial buildings and/or storefronts in the West Oakland Redevelopment Project Area; and

WHEREAS, the staff of the Community and Economic Development Agency have been implementing the Commercial Tenant Improvement Program for the West Oakland Redevelopment Project to provide incentives for property, business owners, and tenants to rehabilitate and revitalize the interiors of vacant commercial buildings and/or storefronts in the West Oakland 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 West Oakland Project Area; and

WHEREAS, these programs are consistent with and will further the purposes of the West Oakland Redevelopment Plan and its Five Year Implementation Plan; now therefore be it

RESOLVED: That the Agency hereby allocates \$125,000 from West Oakland Redevelopment Operations funds (Fund 9590, Org. No. 88679, Project No. S233510) to be allocated to the West Oakland Façade Improvement Program (Fund 9590, Org. No. 88679, Project No. T288410) for its implementation; and be it further

RESOLVED: That the Agency hereby allocates \$125,000 from West Oakland Redevelopment Operations funds (Fund 9590, Org. No. 88679, Project No. S233510) to the West Oakland Tenant Improvement Program (Fund 9590, Org. No. 88679, Project No. T288510); and be it further

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

IN AGENCY, OAKLAND, CALIFORNIA, _____, 2008

PASSED BY THE FOLLOWING VOTE:

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

NOES-

EXCUSED-

ABSTENTION-

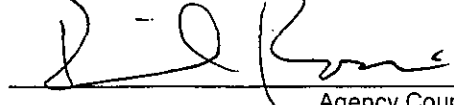
ABSENT-

ATTEST: _____
LATONDA SIMMONS
Secretary of the Redevelopment Agency
of the City of Oakland

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APPROVED AS TO FORM AND LEGALITY:



Agency Counsel

REDEVELOPMENT AGENCY OF THE CITY OF OAKLAND

RESOLUTION No. _____ C.M.S.

AN AGENCY RESOLUTION ALLOCATING \$300,000 TO THE COLISEUM REDEVELOPMENT PROJECT AREA FAÇADE IMPROVEMENT PROGRAM AND ALLOCATING \$245,000 TO THE COLISEUM REDEVELOPMENT PROJECT AREA TENANT IMPROVEMENT PROGRAM

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 been implementing the Commercial Facade Improvement Program for the Coliseum Redevelopment Project to provide incentives for property, business owners, and tenants to rehabilitate and revitalize commercial buildings and/or storefronts in the Coliseum Redevelopment Project Area; and

WHEREAS, the staff of the Community and Economic Development Agency have been implementing the Commercial Tenant Improvement Program for the Coliseum Redevelopment Project to provide incentives for property, business owners, and tenants to rehabilitate and revitalize the interiors of vacant commercial buildings and/or storefronts 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 Coliseum Project Area; and

WHEREAS, these programs are consistent with and will further the purposes of the Coliseum Redevelopment Plan and its Five Year Implementation Plan; now therefore be it,

RESOLVED: That the Agency hereby allocates \$300,000 from Coliseum Redevelopment Operations funds (Fund 9450, Org. No. 88659, Project No.

S82600) to be allocated to the Coliseum Façade Improvement Program (Fund 9450, Org. No. 88659, Project No.T324510; and be it further

RESOLVED: That the Agency hereby allocates \$245,000 from Coliseum Redevelopment Operations funds (Fund 9450, Org. No. 88659, Project No. S82600 to the Coliseum Tenant Improvement Program (Fund 9450, Org. No. 88659, Project No.T324410) ; and be it further

RESOLVED: That the Agency authorizes the Agency Administrator or his 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 actions with respect to the Program and the grants consistent with this Resolution and its basic purposes.

IN AGENCY, OAKLAND, CALIFORNIA, _____, 2008

PASSED BY THE FOLLOWING VOTE:

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

NOES-

EXCUSED-

ABSTENTION-

ABSENT-

ATTEST: _____
 LATONDA SIMMONS
Secretary of the Redevelopment Agency
 of the City of Oakland