

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

FILED
OFFICE OF THE CITY CLERK
OAKLAND

2010 NOV 16 PM 1:04
TO: Office of the Agency Administrator
ATTN: Dan Lindheim
FROM: Community and Economic Development Agency
DATE: November 16, 2010

RE: An Agency Resolution Amending Resolution No. 2009-0078 C.M.S. To Increase Third Party Design Contracts For The Façade And Tenant Improvement Programs By \$196,000 For A Total Of \$726,000 For FY 2010-2011 Utilizing Funds Appropriated In The FY 2009-2011 Redevelopment Agency Budget, And Authorizing The Agency Administrator To Negotiate, Execute And Amend All Third Party Design Contracts Without Returning To The Redevelopment Agency Board; And

An Agency Resolution Allocating An Additional \$300,000 From Coliseum Redevelopment Funds For A Total Allocation Of \$500,000 For FY 2010-2011 To The Coliseum Commercial Façade Improvement Program; And

An Agency Resolution Allocating \$150,000 To The West Oakland Redevelopment Project Area Façade Improvement Program And Allocating \$150,000 To The West Oakland Redevelopment Project Area Tenant Improvement Program For FY 2010-2011

SUMMARY

The Community and Economic Development Agency is recommending approval of the following three Redevelopment Agency Resolutions:

1. An Agency Resolution to amend Resolution No. 2009-0078 C.M.S to increase third party design contracts for the Façade and Tenant Improvement programs from \$530,000 to \$726,000 in FY 2010-11, a \$196,000 increase, from funds appropriated in the Redevelopment Agency FY 2009/11 Redevelopment Agency adopted budget; and
2. An Agency Resolution Allocating \$150,000 To The West Oakland Redevelopment Project Area Façade Improvement Program And Allocating \$150,000 To The West Oakland Redevelopment Project Area Tenant Improvement Program For FY 2010-2011; and
3. An Agency Resolution Allocating an additional \$300,000 from Coliseum Redevelopment funds for a total allocation of \$500,000 for FY 2010-2011 to the Coliseum Commercial Façade Improvement Program

All of these funding allocations are necessary to keep the Redevelopment Façade and Tenant Improvement Program fully functional throughout the various redevelopment areas.

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FISCAL IMPACT

A \$196,000 increase in funding for third party design contracts for the Façade and Tenant Improvement Programs, as requested in the first resolution, will come from the Redevelopment Agency FY 2009-11 adopted budget as follows:

Redevelopment Project Area	Fund	Program	Amount of increase
Broadway/MacArthur/San Pablo (B/M/SP)	B/M/SP: Operations Fund (9529)	B/M/SP Façade Improvement Program (P187550)	\$5,000
Broadway/MacArthur/San Pablo (B/M/SP)	B/M/SP: Operations Fund (9529)	B/M/SP Tenant Improvement Program (P187540)	\$5,000
West Oakland (WO)	WO Operations Fund (9590)	WO Façade Improvement Program (T288410)	\$5,000
West Oakland (WO)	WO Operations Fund (9590)	WO Tenant Improvement Program (T288510)	\$5,000
Central District	CD: TA Bond Series 2003 Fund (9532)	Downtown Façade Improvement Program FY 07-09 (P128750)	\$40,000
Redevelopment Project Area	Fund	Program	Amount of increase
Central District	CD: TA Bond Series 2003 Fund (9532)	Retail Entertainment Catalyst Project Tenant Improvement (P128680)	\$40,000
Central City East (CCE)	CCE: Operations Fund (9540)	CCE Façade Improvement Program (S233330)	\$17,000
Central City East (CCE)	CCE: Operations Fund (9540)	CCE Tenant Improvement Program (S233320)	\$4,000
Coliseum	Coliseum: Operations Fund (9450)	Coliseum Façade Improvement Program (T324510)	\$40,000
Coliseum	Coliseum: Operations Fund (9450)	Coliseum Tenant Improvement Program (T324410)	\$35,000

An additional \$300,000 in funding for Coliseum Façade Improvement Grants, as requested in the second resolution, would be allocated from the Coliseum Operations Fund (9450), Coliseum Redevelopment Organization (88659), Coliseum – Staff Project (S82600). These funds will be transferred as follows:

- An amount not to exceed \$300,000 to Coliseum Operations Fund (9450), Coliseum Redevelopment Organization (88659), Grants (54912), Coliseum Façade Improvement Project (T324510)

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Likewise, the additional funds sought from the West Oakland area, as requested in the third resolution, would be allocated from the West Oakland Operations Fund (9590), Oakland Army Base Redevelopment Organization (88679), ORA West Oakland Repayment Project (S233510). These funds will be transferred as follows:

- An amount not to exceed \$150,000 to the West Oakland Redevelopment Operations Fund (9590), Oakland Army Base Redevelopment Organization (88679), Third Party - Grant Contracts Account (54912), West Oakland Façade Improvement Project (T288410)
- An amount not to exceed \$150,000 to the West Oakland Redevelopment Operations Fund (9590), Oakland Army Base Redevelopment Organization (88679), Third Party - Grant Contracts Account (54912), West Oakland Tenant Improvement Project (T288510)

These expenditures will have no negative impact on the General Fund. Funding for the Tenant and the Façade Improvement Programs 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.

Façade Improvement Program grantees, property owners and tenants, shall maintain, at their expense, the exterior of the property improvements completed. Neither the City nor the Agency will be responsible for ongoing exterior maintenance.

BACKGROUND

On July 21, 2010, pursuant to Agency Resolution 2009-0078 C.M.S., the Redevelopment Agency Board authorized the Agency Administrator to negotiate, execute and amend all third party design contracts for the Façade and Tenant Improvement programs from funds budgeted by the Agency for FY 2009-2011 in an amount not to exceed \$530,000 per year without returning to the Agency. Of this amount, \$330,000/year was allocated to third party design contracts for the Broadway/MacArthur/San Pablo (B/M/SP), West Oakland, Central City East and Coliseum redevelopment areas and \$200,000/year was allocated to third party design contracts for the Central District (Downtown) redevelopment area.

Based on the \$530,000/year allocation, it was estimated that design services would be provided to approximately 106 façade and tenant projects per year; 66 of which are in the B/M/SP, West Oakland, Central City East and Coliseum redevelopment areas and 40 in the Central District (Downtown) redevelopment area. Expenditures to date for design services in the B/M/SP, West Oakland, Central City East and Coliseum redevelopment areas are \$360,000, which funded design concepts for 70 projects. With 22 façade and tenant improvement projects currently in the design phase at an estimated cost of \$110,000, the amount available for design services through June 30, 2011 is \$190,000. Expenditures to date for design services in the Central District (Downtown) are \$240,000, which funded design concepts for 65 projects. With 31 façade and tenant improvement projects currently in the design phase at an estimated cost of \$155,000, \$5,000 is available for design services through June 30, 2011. Due to high demand

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for the Façade and Tenant Improvement programs an additional \$196,000 is needed to increase third party design contracts to meet this demand.

The Façade and Tenant Improvement Programs provide incentives for private commercial property owners and business owners to improve storefronts and upgrade previously vacant commercial space. Both programs were designed as public/private partnership programs and require the financial participation of businesses and/or property owners.

Since the inception of the Façade and Tenant Improvement Programs, hundreds of properties have been rehabilitated in Neighborhood Commercial Revitalization (NCR) and redevelopment areas. In FY 2009-2010, 76 façade improvement projects were completed and approximately \$1.6 million in façade improvement grants awarded leveraging approximately \$3.9 million in private investment. During this same period, 52 tenant improvement projects were completed and approximately \$1.6 million in tenant improvement grants awarded leveraging \$7.9 million in private investment.

In the Coliseum Redevelopment Area the Agency allocated \$200,000 from FY 2010-2011 Coliseum redevelopment funds for the Program's fourth year of operation. To date staff has processed 9 façade improvement grants within the Coliseum Redevelopment Area. Currently, Agency staff is working with business and property owners to develop 17 new facade improvement projects, which are eligible to receive matching grants totaling \$450,000. Without additional funding the Program will have insufficient funds for at least six of the current facade improvement projects in FY 2010-2011.

Similarly, for West Oakland, the Façade and Tenant Improvement (TI) programs continually see strong demand and have successfully leveraged private sector investment at a ratio greater than 1:1. For FY 2009/10, almost \$70,000 in façade funding was awarded to three façade projects, leveraging almost \$100,000 in private dollars. For tenant improvements, approximately \$130,000 comprised of three TI projects was awarded in this fiscal year, leveraging almost \$145,000 in private investment. Currently, there are seven active façade projects and six active TI projects. In addition, the ongoing popularity of these two programs is apparent. This year, there have been twelve inquiries or requests for façade funds, and nine requests for TI funding in West Oakland.

PROGRAM DESCRIPTION

The Façade Improvement Program provides matching grants to commercial property owners and their tenants for exterior improvements including new signs, awnings, lighting and painting, fencing and landscaping. Grant amounts are based on linear feet measurements and typically cover fifty percent of project costs. The Tenant Improvement Program provides matching grants up to \$45,000 in neighborhood redevelopment areas, and up to \$90,000 in the Central District redevelopment area, for interior improvements in commercial space that has been vacant for six

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months or more. Funds can be used for demolition and reconstruction, systems work such as plumbing and electrical, interior design, and compliance with the Americans with Disabilities Act.

On-call Design Services

A maximum of \$5,000 is available for design services provided by licensed architects under contract with the City of Oakland and Oakland Redevelopment Agency. This limit considers variances in building sizes and level of complexity of projects that may require additional design services. Design fees are based on the amount of design services provided for a particular project and are monitored by the project manager.

In June 2009, staff conducted a Request for Qualifications (RFQ) process to select architects to provide on-call design services to the Façade and Tenant Improvement Programs for FY 2009/11. Twenty-seven (27) firms responded to the RFQ and eleven (11) were selected for contracts. The procedures used to procure design services complied with the Agency's Standardized Contracting Procedures.

KEY ISSUES AND IMPACTS

Given the projected balance of \$190,000 for on-call design contracts in the B/M/SP, West Oakland, Central City East and Coliseum redevelopment areas and a projected balance of \$5,000 for design assistance in the Central District (Downtown) redevelopment area, assistance can be provided to approximately 39 façade and tenant improvement projects before current funds are depleted. The proposed increase of \$196,000 in Façade and Tenant Improvement program design contracts would enable assistance to be provided to an additional 39 projects.

However, even with sufficient design funding, for Coliseum, without an additional \$300,000 in grant funding this year, the program will be forced to stop accepting applications until next fiscal year when more grant funding becomes available. For West Oakland, staff is requesting Council approval to allocate \$150,000 to the West Oakland Redevelopment Project Area for the Façade Improvement Program, and \$150,000 for the Tenant Improvement Program, for the current 2010-2011 fiscal year. Due to staffing resource constraints over the past year, the FY 2009-2010 allocation, while not fully expended, is almost fully *committed* to existing projects. Staff is receiving ongoing requests for façade and TI funding which necessitates the new funding allocation. If approved by Council, the new funding will likely result in 6-7 new façade grants, and 5-7 new TI grants.

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SUSTAINABLE OPPORTUNITIES

Economic:

The Façade and Tenant Improvement Programs improve the physical and economic health of the commercial districts by providing financial assistance to property and business owners to make improvements to their properties and by reducing retail vacancies.

Environmental:

The Façade and Tenant Improvement Programs help stimulate increased usage of underutilized properties in an urban environment.

Social Equity:

The financial assistance provided by the Façade and Tenant Improvement Programs provides an opportunity for participation by property and business owners in the revitalization of their properties.

DISABILITY AND SENIOR CITIZEN ACCESS

All Façade and Tenant Improvement Programs in the City of Oakland will comply with all state, and federal Americans with Disabilities Act (ADA) requirements.

RECOMMENDATION(S) AND RATIONALE

Approval of the attached resolutions will enable an expeditious implementation of the Façade and Tenant Improvement Programs in the City of Oakland. Without the requested approvals, the Coliseum Façade Improvement Program and West Oakland Façade and Tenant Improvement Program will not be able to assist any more applicants until next fiscal year. Furthermore, without the requested approval, none of redevelopment areas will be able to offer design services until next fiscal year.

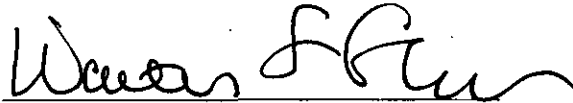
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ACTION REQUESTED OF THE REDEVELOPMENT AGENCY

Staff recommends that the Redevelopment Agency Board approve the resolutions which accompany this report, to add \$196,000 from the current Agency budget for design services to the Façade and Tenant Improvement Programs, to allocate an additional \$300,000 in Coliseum area funds to the Coliseum Commercial Façade Improvement Program, and to allocate West Oakland area funds in the amounts of \$150,000 for the Façade Improvement Program and \$150,000 for the Tenant Improvement Program.

Respectfully submitted,



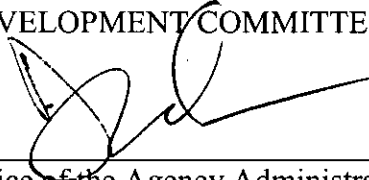
Walter S. Cohen, Director
Community and Economic Development Agency

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

Prepared by: Stephanie Floyd-Johnson,
Redevelopment Program Manager

Tanya Boyce, UEA III

APPROVED AND FORWARDED TO
THE COMMUNITY AND ECONOMIC
DEVELOPMENT COMMITTEE:



Office of the Agency Administrator

FILED
OFFICE OF THE CITY CLERK
OAKLAND

2010 NOV -4 PM 1:04

APPROVED AS TO FORM AND LEGALITY:



Agency Counsel

REDEVELOPMENT AGENCY OF THE CITY OF OAKLAND

RESOLUTION No. _____ C.M.S.

AN AGENCY RESOLUTION AMENDING RESOLUTION NO. 2009-0078 C.M.S. TO INCREASE THIRD PARTY DESIGN CONTRACTS FOR THE FAÇADE AND TENANT IMPROVEMENT PROGRAMS BY \$196,000 FOR A TOTAL OF \$726,000 FOR FY 2010-2011 UTILIZING FUNDS APPROPRIATED IN THE FY 2009-2011 REDEVELOPMENT AGENCY BUDGET AND AUTHORIZING THE AGENCY ADMINISTRATOR TO NEGOTIATE, EXECUTE AND AMEND ALL THIRD PARTY CONTRACTS FOR THE FAÇADE AND TENANT IMPROVEMENT PROGRAMS

WHEREAS, the Agency approved Resolution No. 2009-0078 C.M.S. authorizing the Agency Administrator to negotiate, execute and amend all third party design contracts for the Façade and Tenant Improvement programs from funds budgeted by the Agency for FY 2009-2011 in an amount not to exceed \$530,000 per year without returning to the Agency; and

WHEREAS, demand for the Façade and Tenant Improvement programs in the Broadway/MacArthur/San Pablo, West Oakland, Central City East, Central District and Coliseum Redevelopment Project Areas is higher than anticipated and the amount budgeted for third party design contracts is insufficient to meet the demand; and

WHEREAS, the Broadway/MacArthur/San Pablo, West Oakland, Central City East, Central District and Coliseum Redevelopment Project Areas desire to increase their third party design contracts by \$196,000 for a total of \$726,000 for FY 2010-2011 from funds budgeted by the Agency for the Façade and Tenant Improvement programs in the FY 2009-2011 Redevelopment Agency budget; and

WHEREAS, additional funding for third party design contracts is available; now, therefore be it

RESOLVED: That the Redevelopment Agency hereby amends Resolution No. 2009-0078 C.M.S. to increase funding for third party design contracts for the Façade and Tenant Improvement programs by \$196,000 for a total of \$726,000 in

FY 2010-2011, and authorizes the Agency Administrator to negotiate, execute and amend all third party design contracts without returning to the Agency; and be it

FURTHER RESOLVED: That the additional funding for third party design contracts is appropriated from the following sources:

Redevelopment Project Area	Fund	Program	Annual Amounts
Broadway/MacArthur/San Pablo (B/M/SP)	B/M/SP: Operations Fund (9529)	B/M/SP Façade Improvement Program (P187550)	\$5,000
Broadway/MacArthur/San Pablo (B/M/SP)	B/M/SP: Operations Fund (9529)	B/M/SP Tenant Improvement Program (P187540)	\$5,000
West Oakland (WO)	WO Operations Fund (9590)	WO Façade Improvement Program (T288410)	\$5,000
West Oakland (WO)	WO Operations Fund (9590)	WO Tenant Improvement Program (T288510)	\$5,000
Central District	CD: TA Bond Series 2003 Fund (9532)	Downtown Façade Improvement Program FY 07-09 (P128750)	\$40,000
Central District	CD: TA Bond Series 2003 Fund (9532)	Retail Entertainment Catalyst Project Tenant Improvement (P128680)	\$40,000
Central City East (CCE)	CCE: Operations Fund (9540)	CCE Façade Improvement Program (S233330)	\$17,000
Central City East (CCE)	CCE: Operations Fund (9540)	CCE Tenant Improvement Program (S233320)	\$4,000
Coliseum	Coliseum: Operations Fund (9450)	Coliseum Façade Improvement Program (T324510)	\$40,000
Coliseum	Coliseum: Operations Fund (9450)	Coliseum Tenant Improvement Program (T324410)	\$35,000

and be it

FURTHER RESOLVED: That the Agency Administrator or his or her designee is hereby authorized to take whatever action is necessary with respect to the Programs consistent with this Resolution and its basic purposes; and be it

FURTHER RESOLVED: That all agreements executed pursuant to the Resolution shall be approved as to form and legality by Agency Counsel and be filed with the Agency Secretary.

IN AGENCY, OAKLAND, CALIFORNIA, _____, 2010

PASSED BY THE FOLLOWING VOTE:

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

NOES-

ABSENT-

ABSTENTION-

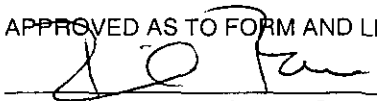
ATTEST:

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

FILED
OFFICE OF THE CITY CLERK
OAKLAND

2010 NOV -4 PM 1:04

APPROVED AS TO FORM AND LEGALITY



Agency Counsel

REDEVELOPMENT AGENCY OF THE CITY OF OAKLAND

Resolution No. _____ C.M.S.

AGENCY RESOLUTION ALLOCATING AN ADDITIONAL \$300,000 FROM COLISEUM REDEVELOPMENT FUNDS FOR A TOTAL ALLOCATION OF \$500,000 FOR FY 2010-2011 TO THE COLISEUM COMMERCIAL FAÇADE IMPROVEMENT PROGRAM

WHEREAS, the Redevelopment Agency adopted 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 incentives include matching grants of up to \$30,000 for properties with frontage of up to 100 feet and architectural services of up to \$5,000 per property for commercial properties throughout 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 Area and its Implementation Plan; and

WHEREAS, the Agency allocated \$200,000 from FY 2010-2011 Coliseum redevelopment funds for the Program's fourth year of operation; and

WHEREAS, Agency staff anticipates working with business and property owners to develop 17 new facade improvement projects, which are eligible to receive matching grants totaling \$450,000; and

WHEREAS, the Program has insufficient funds for at least six facade improvement projects in FY 2010-2011; now, therefore, be it

RESOLVED: That the Agency hereby allocates an additional \$300,000 from FY 2010-2011 Coliseum Operations Fund (9450), Coliseum Redevelopment Organization (88659), Coliseum - Staff Project (S82600) to the Coliseum Facade Improvement Program for a total allocation of \$500,000 for the Program.

IN AGENCY, OAKLAND, CALIFORNIA, _____, 2010

PASSED BY THE FOLLOWING VOTE:

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

NOES -

ABSENT -

ABSTENTION -

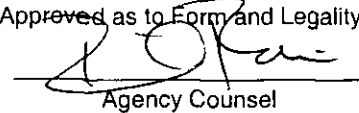
ATTEST:

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

FILED
OFFICE OF THE CITY CLERK
OAKLAND

2010 NOV -4 PM 1:04

Approved as to Form and Legality



Agency Counsel

REDEVELOPMENT AGENCY OF THE CITY OF OAKLAND

Resolution No. _____ C.M.S.

AGENCY RESOLUTION ALLOCATING \$150,000 TO THE WEST OAKLAND REDEVELOPMENT PROJECT AREA FAÇADE IMPROVEMENT PROGRAM AND ALLOCATING \$150,000 TO THE WEST OAKLAND REDEVELOPMENT PROJECT AREA TENANT IMPROVEMENT PROGRAM FOR FY 2010-2011

WHEREAS, the Redevelopment Agency adopted a Commercial Façade Improvement Program and Tenant Improvement Program for the West Oakland Redevelopment Project (the "Programs") to provide incentives for property owners and business owners to rehabilitate and revitalize commercial buildings and/or storefronts within targeted commercial districts of the West Oakland Redevelopment Area; and

WHEREAS, the Program incentives include matching façade grants of up to \$30,000 for properties with frontage of up to 100 feet, matching tenant improvement grants of up to \$45,000, and architectural services of up to \$5,000 per property for commercial properties throughout 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 Project Area; and

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

RESOLVED: That the Agency hereby allocates \$150,000 from FY 2010-2011 West Oakland Redevelopment Operations Fund (9590), Army Base Redevelopment Organization (88679), ORA West Oakland Repayment Project (S233510), to the West Oakland Façade Improvement Project (T288410); and be it

FURTHER RESOLVED: That the Agency hereby allocates \$150,000 from FY 2010-2011 West Oakland Redevelopment Operations Fund (9590), Army Base Redevelopment Organization (88679), ORA West Oakland Repayment Project (S233510), to the West Oakland Tenant Improvement Project (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 action with respect to the Programs and the grants consistent with this Resolution and its basis purposes.

IN AGENCY, OAKLAND, CALIFORNIA, _____

PASSED BY THE FOLLOWING VOTE:

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

NOES -

ABSENT -

ABSTENTION -

ATTEST:

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