

2009 JUN 11 PM 4:08

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

TO: Office of the City/Agency Administrator
ATTN: Dan Lindheim
FROM: Community and Economic Development Agency
DATE: June 23, 2009

RE: **Agency and City Resolutions Authorizing the Redevelopment Agency/City Administrator to Negotiate, Execute and Amend All Third Party Design Contracts for the Façade and Tenant Improvement Programs as Budgeted in the FY 2009-11 Oakland Redevelopment Agency and City of Oakland Proposed Policy Budgets Without Returning to the Redevelopment Agency and City Council in Amounts Not to Exceed \$530,000 Per Year and \$90,000 Per Year Respectively.**

SUMMARY

The Community and Economic Development Agency ("CEDA") is recommending approval of an Agency Resolution and a City Resolution to authorize the Agency/City Administrator to negotiate, execute and amend all third party design contracts for the Façade and Tenant Improvement Programs in amounts not to exceed \$530,000 a year from funds appropriated in the Oakland Redevelopment Agency FY 2009/11 Proposed Policy Budget and \$90,000 a year from funds appropriated in the City of Oakland FY 2009/11 Proposed Policy Budget, without returning to the Redevelopment Agency and City Council.

FISCAL IMPACT

Funding for third party design contracts for the Façade and Tenant Improvement Programs will come from the Oakland Redevelopment Agency and City of Oakland FY 2009/11 Proposed Policy Budget as follows:

| 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) | \$45,000 |
| Broadway/MacArthur/San Pablo (B/M/SP) | B/M/SP: Operations Fund (9529) | B/M/SP Tenant Improvement Program (P187540) | \$25,000 |

Item: _____
Community and Economic Development Committee
June 23, 2009

| Redevelopment Project/Area | Fund | Program | Annual Amounts |
|----------------------------|--|--|----------------|
| West Oakland (WO) | WO Operations Fund (9590) | WO Façade Improvement Program (T288410) | \$25,000 |
| West Oakland (WO) | WO Operations Fund (9590) | WO Tenant Improvement Program (T288510) | \$25,000 |
| Central District | CD: TA Bond Series 2003 Fund (9532) | Downtown Façade Improvement Program FY 07-09 (P128750) | \$100,000 |
| Central District | CD: TA Bond Series 2003 Fund (9532) | Retail Entertainment Catalyst Project Tenant Improvement (P128680) | \$100,000 |
| Central City East (CCE) | CCE: Operations Fund (9540) | CCE Façade Improvement Program (S233330) | \$50,000 |
| Central City East (CCE) | CCE: Operations Fund (9540) | CCE Tenant Improvement Program (S233320) | \$50,000 |
| Coliseum | Coliseum: Operations Fund (9450) | Coliseum Façade Improvement Program (T324510) | \$55,000 |
| Coliseum | Coliseum: Operations Fund (9450) | Coliseum Tenant Improvement Program (T324410) | \$55,000 |
| Citywide | Fund | Program | Annual Amount |
| NCR Target Areas | U.S. Department of Housing and Urban Development-Community Development Block Grant Fund (2108) | NCR Project Development Project (G83200) | \$90,000 |

BACKGROUND

On September 30, 1997, pursuant to Resolution No. 73818 C.M.S., the City Council approved initiation of the Commercial Property Façade Improvement Program ("FIP") as part of the Neighborhood Commercial Revitalization (NCR) Program. The FIP was directed to NCR target areas in the City's Community Development Districts since program funding was primarily from the Community Development Block Grant (CDBG) Program. Since the inception of the Program in 1997, it has expanded to the downtown and other redevelopment project areas.

In 1999, the Redevelopment Agency saw a need to revitalize and rehabilitate commercial buildings in the Central District Redevelopment Project Area ("Central District") and adopted the FIP for the Central District under Agency Resolution No. 99-37 C.M.S. In September 2003, the Redevelopment Agency adopted the Downtown Tenant Improvement Program (TIP) under Agency Resolution No. 2003-69 C.M.S. Later, other Redevelopment Project Areas also adopted these Programs, including the Broadway/MacArthur/San Pablo Redevelopment Project Area, pursuant to Agency Resolution Nos. 02-91 C.M.S. (FIP) and 2006-0004 C.M.S. (TIP); Central City East

Item: _____

Community and Economic Development Committee
June 23, 2009

Redevelopment Project Area, pursuant to Agency Resolution Nos. 2005-0005 C.M.S. (FIP) and 2005-0006 C.M.S. (TIP); the West Oakland Redevelopment Project Area, pursuant to Agency Resolution Nos. 2006-0001 C.M.S. (FIP) and 2006-0003 C.M.S. and the Coliseum Redevelopment Project Area, pursuant to Agency Resolution Nos. 2007-0042 C.M.S. (FIP) and 2007-0043 C.M.S. (TIP).

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 NCR and redevelopment areas. In FY 2008/09, 194 projects were completed and approximately \$4.7 million in façade and tenant improvement grants were awarded, leveraging approximately \$6.3 million in private investment.

PROGRAM DESCRIPTION

The Façade Improvement Program provides matching grants to commercial property owners and their tenant 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 provide matching grants of up to \$45,000 for interior improvements to a commercial space that has been vacant for six 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 the 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. A total of \$970,000 was allocated for third party design contracts for the Façade and Tenant Improvement programs from the FY 2007/09 Proposed Policy Budgets for the Oakland Redevelopment Agency and City of Oakland. During this period design services were provided to more than 200 projects.

The procurement of design services complies with the City/Agency's Standardized Contracting Procedures. Staff is currently conducting 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. A RFQ is issued every two years and design contracts are awarded for a two-year period. Authorizing the City/Agency Administrator to negotiate and execute third party contracts without returning to the City Council/Agency facilitates the expeditious implementation of Façade and Tenant Improvement Program projects upon adoption of the City and Agency policy budgets for FY 2009/11.

KEY ISSUES AND IMPACTS

Funding for the Façade and Tenant Improvement Programs is primarily redevelopment funding. In the FY 2009/11 Proposed Policy Budget, \$204,508 per year is allocated from HUD Community Development Block Grant (CDBG) funds to the NCR Façade Improvement Program. Of this amount a maximum of \$90,000 is proposed for on-call design services with the balance going to grants. Staff proposed to direct CDBG funds to NCR target areas in the Community Development Districts and outside redevelopment project areas. This will enable the Façade Improvement Program to be available to neighborhood commercial districts that include the Temescal, Dimond and Laurel districts.

SUSTAINABLE OPPORTUNITIES

Economic: The Façade and Tenant Improvement Programs enhance the physical and economic health of 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.

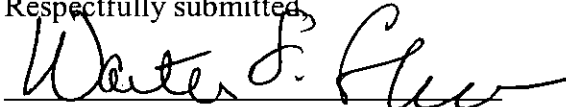
RECOMMENDATION AND RATIONALE

Approval of the attached resolutions will enable an expeditious implementation of the Façade and Tenant Improvement Programs in the City of Oakland.

ACTION REQUESTED OF THE CITY/AGENCY

Staff recommends that the Redevelopment Agency and City Council approve Resolutions to authorize the Agency/City Administrator to negotiate, execute and amend all design contracts for the Façade and Tenant Improvement Programs from funds appropriated in the Oakland Redevelopment Agency and City of Oakland FY 2009/11 Proposed Policy Budgets without returning to the Redevelopment Agency and City Council in amounts not to exceed \$530,000 per year and \$90,000 per year respectively.

Respectfully submitted,



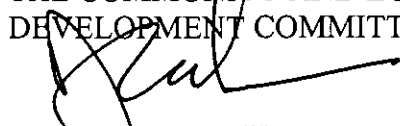
Walter S. Cohen, Director

Community and Economic Development
Agency

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

Prepared by: Stephanie Floyd-Johnson,
Redevelopment Program Manager

APPROVED AND FORWARDED TO
THE COMMUNITY AND ECONOMIC
DEVELOPMENT COMMITTEE:



Office of the Agency Administrator

FILED
OFFICE OF THE CITY CLERK
OAKLAND

2009 JUN 11 PM 4:08

APPROVED-AS TO FORM AND LEGALITY:



Agency Counsel

REDEVELOPMENT AGENCY OF THE CITY OF OAKLAND

RESOLUTION No. _____ C.M.S.

A RESOLUTION 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

WHEREAS, the Broadway/MacArthur/San Pablo Redevelopment Project Area, Central District Redevelopment Project Area, Central City East Redevelopment Project Area, West Oakland Redevelopment Project Area and Coliseum Redevelopment Project Area contain many commercial buildings in need of revitalization and physical improvement; and

WHEREAS, the Agency has previously approved Resolutions establishing Façade and Tenant Improvement Programs and authorizing the Agency Administrator to approve and execute all third party design contracts within the available budget for the Agency's Façade and Tenant Improvement Programs in the Broadway/MacArthur/San Pablo Redevelopment Project Area (Resolution No. 02-91 C.M.S. and Resolution No. 2006-0004 C.M.S.), Central City East Redevelopment Project Area (Resolution No. 2005-0005 C.M.S. and Resolution No. 2005-0006 C.M.S.), Central District Redevelopment Project Area (Resolution No. 1999-37 C.M.S. and Resolution No. 2003-69 C.M.S.), West Oakland Redevelopment Project Area (Resolution No. 2006-0001 C.M.S. and Resolution No. 2006-0003 C.M.S.) and the Coliseum Redevelopment Project Area (Resolution No. 2007-0042 C.M.S. and Resolution No. 2007-0043 C.M.S.); and

WHEREAS, the Façade and Tenant Improvement Programs provide incentives for property owners and business owners to rehabilitate and revitalize commercial buildings and storefronts in targeted commercial districts of the City located in eligible redevelopment project areas; and

WHEREAS, such rehabilitation and revitalization assists in the elimination of blight in the target areas and assists with retaining and attracting businesses in those areas; and

WHEREAS, funding for third party design contracts has been 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) | \$45,000 |
| Broadway/MacArthur/San Pablo (B/M/SP) | B/M/SP: Operations Fund (9529) | B/M/SP Tenant Improvement Program (P187540) | \$25,000 |
| West Oakland (WO) | WO Operations Fund (9590) | WO Façade Improvement Program (T288410) | \$25,000 |
| West Oakland (WO) | WO Operations Fund (9590) | WO Tenant Improvement Program (T288510) | \$25,000 |
| Central District | CD: TA Bond Series 2003 Fund (9532) | Downtown Façade Improvement Program FY 07-09 (P128750) | \$100,000 |
| Central District | CD: TA Bond Series 2003 Fund (9532) | Retail Entertainment Catalyst Project Tenant Improvement (P128680) | \$100,000 |
| Central City East (CCE) | CCE: Operations Fund (9540) | CCE Façade Improvement Program (S233330) | \$50,000 |
| Central City East (CCE) | CCE: Operations Fund (9540) | CCE Tenant Improvement Program (S233320) | \$50,000 |
| Coliseum | Coliseum: Operations Fund (9450) | Coliseum Façade Improvement Program (T324510) | \$55,000 |
| Coliseum | Coliseum: Operations Fund (9450) | Coliseum Tenant Improvement Program (T324410) | \$55,000 |

now therefore be it

RESOLVED: That the Agency Administrator is authorized to negotiate, execute and amend all third party design contracts utilizing respective redevelopment project areas' appropriations for the Façade and Tenant Improvement Programs in the FY 2009-11 Proposed Agency Budget in an amount not to exceed \$530,000 per year without returning to the Agency; and be it further

RESOLVED: That the 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) | \$45,000 |
| Broadway/MacArthur/San Pablo (B/M/SP) | B/M/SP: Operations Fund (9529) | B/M/SP Tenant Improvement Program (P187540) | \$25,000 |
| West Oakland (WO) | WO Operations Fund (9590) | WO Façade Improvement Program (T288410) | \$25,000 |
| West Oakland (WO) | WO Operations Fund (9590) | WO Tenant Improvement Program (T288510) | \$25,000 |
| Central District | CD: TA Bond Series 2003 Fund (9532) | Downtown Façade Improvement Program FY 07-09 (P128750) | \$100,000 |
| Central District | CD: TA Bond Series 2003 Fund (9532) | Retail Entertainment Catalyst Project Tenant Improvement (P128680) | \$100,000 |
| Central City East (CCE) | CCE: Operations Fund (9540) | CCE Façade Improvement Program (S233330) | \$50,000 |
| Central City East (CCE) | CCE: Operations Fund (9540) | CCE Tenant Improvement Program (S233320) | \$50,000 |
| Coliseum | Coliseum: Operations Fund (9450) | Coliseum Façade Improvement Program (T324510) | \$55,000 |
| Coliseum | Coliseum: Operations Fund (9450) | Coliseum Tenant Improvement Program (T324410) | \$55,000 |

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, _____, 2009

PASSED BY THE FOLLOWING VOTE:

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

NOES-

ABSENT-

ABSTENTION-

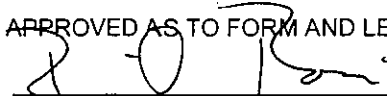
ATTEST:

LATONDA SIMMONS
Secretary, Redevelopment Agency of the City of
Oakland

FILED
OFFICE OF THE CITY CLERK
OAKLAND

2009 JUN 11 PM 4:08

APPROVED AS TO FORM AND LEGALITY:


Deputy City Attorney

OAKLAND CITY COUNCIL

RESOLUTION No. _____ C.M.S.

A RESOLUTION AUTHORIZING THE CITY ADMINISTRATOR TO NEGOTIATE, EXECUTE AND AMEND ALL THIRD PARTY DESIGN CONTRACTS FOR THE FAÇADE IMPROVEMENT PROGRAM FROM FUNDS BUDGETED BY THE CITY FOR FY 2009-2011 IN AN AMOUNT NOT TO EXCEED \$90,000 PER YEAR WITHOUT RETURNING TO THE CITY COUNCIL

WHEREAS, the City of Oakland contains many neighborhood commercial areas in need of revitalization and physical improvements; and

WHEREAS, the Façade Improvement Program provides incentives for property owners and business owners to rehabilitate and revitalize commercial buildings and storefronts in targeted Neighborhood Commercial Revitalization (NCR) areas located in eligible Community Development Districts; and

WHEREAS, such rehabilitation and revitalization assists in the elimination of blight in the target areas and assists with retaining and attracting businesses, increasing job opportunities and sales tax revenues for the City of Oakland; and

WHEREAS, on September 30, 1997, pursuant to City Resolution 73818 C.M.S., the City Council approved initiation of the first Neighborhood Commercial Façade Improvement Program; and

WHEREAS, on May 8, 2007, pursuant to City Resolution No. 80590 C.M.S., the City Council confirmed the boundaries of NCR target areas; and

WHEREAS, funding for third party design contracts is available in the amount of \$90,000 per year from the U.S. Department of Housing and Urban Development-Community Development Block Grant Fund (2108), NCR Project Development Project (G83200); now therefore be it

RESOLVED: That the funding for third party design contracts is hereby appropriated in the amount of \$90,000 per year from the U.S. Department of Housing and Urban Development- Community Development Block Grant Fund (2108), NCR Project Development Project (G83200); and be it further

RESOLVED: That the City Administrator is authorized to negotiate, execute, and amend all third party design contracts utilizing HUD-CDBG funds for the Façade Improvement Program as budgeted in the City's FY 2009-11 Proposed Policy Budget, in an amount not to exceed \$90,000 per year, without returning to the City Council; and be it further

RESOLVED: That the City Administrator or his or her designee is hereby authorized to take whatever action is necessary with respect to the Program 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 the Office of the City Attorney and be filed in the Office of the City Clerk.

IN COUNCIL, OAKLAND, CALIFORNIA, _____, 2009

PASSED BY THE FOLLOWING VOTE:

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

NOES-

ABSENT-

ABSTENTION-

ATTEST: _____
LATONDA SIMMONS
City Clerk and Clerk of the Council
of the City Of Oakland, California