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OFFICE OF THE CITY CLERK
OAKLAND
2008 JUN 26 PM 8:24

APPROVED AS TO FORM AND LEGALITY

AGENCY COUNSEL

REDEVELOPMENT AGENCY
OF THE CITY OF OAKLAND

2008-0076
RESOLUTION NO. _____ C.M.S.

AUTHORIZING THE AGENCY ADMINISTRATOR TO ENTER INTO A TENANT IMPROVEMENT GRANT AGREEMENT BETWEEN THE AGENCY AND GASS ENTERTAINMENT INC. IN AN AMOUNT NOT TO EXCEED \$2,000,000, TO FUND THE COMPLETION OF THE FOX THEATER RENOVATION PROJECT

WHEREAS, the Agency entered into a Disposition and Development Agreement (DDA) in December 15, 2006 with Fox Oakland Theater, Inc.(FOT) to ground lease and undertake the restoration of the Fox Theater and to provide loans to carry out the restoration; and

WHEREAS, in December 2006 Fox Theater Master Tenant LLC entered into a ten year lease agreement with GASS Entertainment LLC (Tenant) for the purpose of operating the Fox Theater as a live performing arts venue; and

WHEREAS, the tenant improvements for the theater space leased to GASS were budgeted at \$2.6 million plus change order contingencies; and

WHEREAS, the current costs of tenant improvement for the theater are \$5.9 million to fully meet modern theater equipment standards; and

WHEREAS, \$3.3 million in additional funding is required to complete the tenant improvements in the theater; and

WHEREAS, GASS has agreed to borrow \$1.3 million from the Fox Theater Master Tenant and fully amortize the loan from theater revenue if the Agency agrees to grant them an additional \$2.0 million to complete the tenant improvements; and

WHEREAS, the Agency hereby finds and determines on the basis of substantial evidence in the record that the Initial Study and Mitigated Negative Declaration fully analyzes the potential environmental effects of the project and incorporates mitigation measures to substantially lessen or avoid any potentially

significant impacts in accordance with CEQA. None of the circumstances necessitating preparation of additional environmental review as specified in CEQA and the CEQA Guidelines, including without limitation Public Resources Code Section 21166 and CEQA Guidelines Section 15162, are present in that (1) there are no substantial changes proposed in the project or the circumstances under which the project is undertaken that would require major revisions of the Initial Study/Mitigated Negative Declaration due to the involvement of new environmental effects or a substantial increase in the severity of previously identified significant effects; and (2) there is no "new information of substantial importance" as described in CEQA Guidelines Section 15162(a)(3); now, therefore, be it

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 on the part of the Agency does not necessitate preparation of a subsequent or supplemental EIR Section 15162 (subsequent EIRs and negative declarations); and be it further

RESOLVED: That the Agency Administrator or her designee shall cause to be filed with the County of Alameda a Notice of Exemption for this action; and be it further

RESOLVED: That the Agency of Oakland hereby finds and determines that Agency grant to GASS for the Fox Theater Project furthers the purposes of the California Community Redevelopment Law, contributes to the elimination of blight in the Central District Redevelopment Project Area, conforms to the Central District Redevelopment Plan, including its Implementation Plan, and furthers the goals and objectives of said Redevelopment Plan in that: (1) the Project will increase entertainment opportunities in the Central District; (2) the Project will provide necessary neighborhood-serving retail facilities lacking in the Central District; (3) the Project, once developed, will create permanent jobs for low and moderate income people, including jobs for area residents; (4) the Project will help create a stable 24 hour community which will enhance the viability of retail businesses in the area; (5) the Project will redevelop a key underutilized site in the Central District; (6) the Project will improve environmental design within the Central District; and (7) the Project, once developed, will enhance depreciated and stagnant property values in the surrounding areas, and will encourage efforts to alleviate economic and physical blight conditions in the area; and be it further

RESOLVED: That the Agency hereby approves the grant to GASS Entertainment, Inc. in the amount of the \$2,000,000 under the terms and conditions set forth in this resolution; and be it further

RESOLVED: That Agency funds totaling \$2,000,000 shall be allocated from Central District 2003 Bonds (Fund 9532) from fund balance to Fox Theater GASS Grant in a new project number to be established in Fund 9532 Organization 94800; and be it further

RESOLVED: That the Agency Administrator is authorized to negotiate, approve, and execute an appropriate grant agreement; and be it further

RESOLVED: That all documents related to this transaction shall be reviewed and approved by Agency Counsel prior to execution, and copies will be placed on file with the Agency Secretary; and be it further

RESOLVED: That the custodians and locations of the documents or other materials which constitute the record of proceedings upon which the Agency's decision is based are respectively: (a) the Community & Economic Development Agency, Projects Division, 250 Frank H. Ogawa Plaza, 5th Floor, Oakland CA; (b) the Community & Economic Development Agency, Planning Division, 250 Frank H. Ogawa Plaza, 3rd Floor, Oakland CA; and (c) the Office of the City Clerk, 1 Frank H. Ogawa Plaza, 1st Floor, Oakland, CA.

IN AGENCY, OAKLAND, CALIFORNIA, JUL 15 2008, 2008

PASSED BY THE FOLLOWING VOTE:

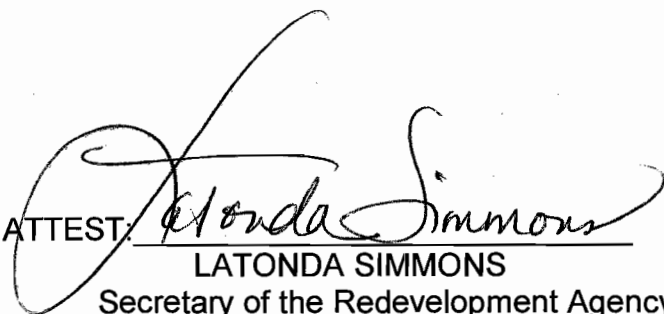
AYES- BROOKS, BRUNNER, CHANG, KERNIGHAN, NADEL, QUAN,
REID AND CHAIRPERSON DE LA FUENTE, - 8

NOES- 0

ABSENT- 0

ABSTENTION- 0

ATTEST:



LATONDA SIMMONS

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