

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

FILED
OFFICE OF THE CITY CLERK
OAKLAND
2008 JUN 12 PM 6:07

TO: Office of the City/Agency Administrator
ATTN: Deborah A. Edgerly
FROM: Community and Economic Development Agency
DATE: June 24, 2008

RE: **An Agency Resolution Approving A \$75,000 Tenant Improvement Grant To
Brown Sugar Kitchen Restaurant Located at 2534 Mandela Parkway And
Allocating West Oakland Redevelopment Funds For The Grant**

SUMMARY

Staff has prepared a resolution authorizing a \$75,000 tenant improvement grant for the Brown Sugar Kitchen restaurant and allocating West Oakland Redevelopment funds for the project. Brown Sugar Kitchen is a locally-owned and operated restaurant located at 2534 Mandela Parkway in the West Oakland Redevelopment Project Area. The project is located in City Council District 3.

FISCAL IMPACT

Funds for this tenant improvement grant will be allocated from the West Oakland Redevelopment Operations Fund and Project (Fund 9590, Project S233510, Org. 88679) for projects and programs in the West Oakland Project Area. Implementation of this grant will not have any negative impact on the General Fund and should help to generate sales tax.

BACKGROUND

Brown Sugar Kitchen ("BSK") is a restaurant located at 2534 Mandela Parkway in West Oakland. BSK is located in a formerly vacant building that had been used as a restaurant but that has been vacant for more than one year. BSK is the only restaurant in this neighborhood of West Oakland. BSK is owned and operated by Tanya Holland who also serves as the head chef. Ms. Holland is an established chef, cookbook author, caterer and TV personality who has had extensive restaurant experience in the United States and France.

Ms. Holland requested the Redevelopment Agency approve a special tenant improvement grant for the restaurant as the improvements needed exceed the cost of the regular West Oakland Tenant Improvement Program, which caps grants at \$45,000. BSK is the only restaurant in this area of West Oakland. Ms. Holland has intended the restaurant to serve both local residents and the larger community by offering a varied menu of fresh, high-quality, multi-cultural and

Item: _____
CED Committee
June 24, 2008

affordable food in a friendly environment with excellent service. Since opening in January 2008, the restaurant has attracted increasing numbers of people and has earned enthusiastic reviews in the local media for its food and service.

BSK presently employs sixteen people. Nine of the employees live in Oakland, seven of whom live in West Oakland. Ms. Holland employs two interns from Oakland's MetWest High School and is interested in working with the McClymonds High School Culinary Arts Academy.

KEY ISSUES AND IMPACTS

The West Oakland Project Area Committee ("WOPAC") is a publicly elected organization of volunteer community representatives who live, own a business, or represent a community organization active in the West Oakland Redevelopment Project Area ("Project Area"). The WOPAC serves as an advisory body to the Redevelopment Agency on policy matters which affect the residents and businesses of the Project Area. For several years, the WOPAC and the larger West Oakland community have expressed the need for more restaurants in West Oakland as this area lacks restaurants. The WOPAC recommended approval of this \$75,000 tenant improvement grant on March 12, 2008.

PROJECT DESCRIPTION

The restaurant is located at 2534 Mandela Parkway in a 1,789 square foot building in the Project Area's Clawson/McClymonds/Bunche subarea. This building was formerly a café but needs the tenant improvements described below to increase BSK's capacity to serve customers and to make operations more efficient. The \$75,000 grant will be structured as a one-to-one matching grant reimbursable upon completion of several agreed upon tasks that will serve as the grant's scope of services. The reimbursement will not be disbursed until the project is completed and approved. Grant funds will be used for tenant improvements including installation of two new ovens, a new stove hood, new interior seating, building improved storage space, re-modeling the counter and exterior seating and lighting. These improvements will greatly enhance the restaurant's ability to function efficiently. Construction is anticipated to begin immediately after the grant agreement is executed.

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 and Union Streets, on the south by 18th Street and Middle Harbor Road, and on the west by Pine and Wood Streets.

This project is consistent with the Redevelopment Plan and the Five Year Implementation Plan for the West Oakland Project Area. The Five Year Implementation Plan includes the following goals and objectives:

- Restore blighted properties in Project Area
- Assist neighborhood commercial revitalization and attract more uses that serve the local community, including neighborhood-serving retail
- Facilitate economic development by improving and rehabilitating substandard buildings and targeting infill on vacant lots on commercial corridors in the Project Area

BSK will improve the quality of life for West Oakland residents and will promote further retail activity and economic development along the Mandela Parkway corridor.

SUSTAINABLE OPPORTUNITIES

Economic:

This project will help to support commercial activity and economic development along the Mandela Parkway corridor in West Oakland. The restaurant's sales will increase sales tax revenue for the City of Oakland.

Environmental:

BSK obtains its fresh produce and other products from local sustainable producers.

Social Equity:

BSK provides employment to nine Oakland residents and seven of them live in West Oakland. Ms. Holland presently employs two interns from Oakland's MetWest High School and is interested in working with the McClymonds High School Culinary Arts Academy.

DISABILITY AND SENIOR CITIZEN ACCESS

The tenant improvements will comply with City, State and Federal ADA requirements.

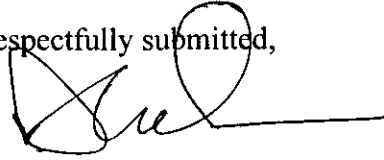
RECOMMENDATION AND RATIONALE

Staff recommends that the Agency authorize a \$75,000 tenant improvement grant for the BSK restaurant. BSK provides a much needed restaurant in West Oakland and will help catalyze other businesses along Mandela Parkway. This project is a high priority for the WOPAC.

ACTION REQUESTED OF THE CITY COUNCIL

Staff requests that the attached resolution be approved authorizing a \$75,000 tenant improvement grant for BSK and allocating West Oakland redevelopment funds for the project.

Respectfully submitted,

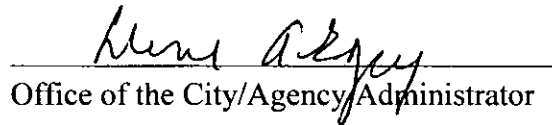


Dan Lindheim
Director
Community and Economic Development Agency

Reviewed by:
Gregory Hunter, Deputy Director of Economic Development
and Redevelopment
Patrick Lane, West Oakland Manager, Redevelopment
Division

Prepared by:
Wendy Simon, Urban Economic Analyst IV
Redevelopment Division

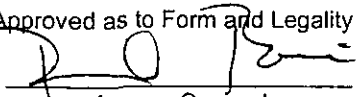
APPROVED AND FORWARDED TO
COMMUNITY AND ECONOMIC DEVELOPMENT COMMITTEE:



Office of the City/Agency Administrator

OFFICE OF THE CITY CLERK
OAKLAND

2008 JUN 12 PM 6:07

Approved as to Form and Legality

Agency Counsel

REDEVELOPMENT AGENCY OF THE CITY OF OAKLAND

Resolution No. _____ C.M.S.

AN AGENCY RESOLUTION APPROVING A \$75,000 TENANT IMPROVEMENT GRANT TO BROWN SUGAR KITCHEN LOCATED AT 2534 MANDELA PARKWAY, AND ALLOCATING WEST OAKLAND REDEVELOPMENT FUNDS FOR THE GRANT

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

WHEREAS, the West Oakland Project Area Committee ("WOPAC") has prioritized the need for increased commercial activity in the West Oakland Project Area; and

WHEREAS, the West Oakland Redevelopment Project Area presently lacks restaurants that are not fast food restaurants and the area suffers from an abundance of fast-food restaurants; and

WHEREAS, Brown Sugar Kitchen is a locally owned and operated restaurant that serves the West Oakland community as well as the surrounding Oakland and regional communities with high quality food and service; and

WHEREAS, the Brown Sugar Kitchen has requested a \$75,000 tenant improvement grant to assist with improvements to the commercial space at 2534 Mandela Parkway; and

WHEREAS, such rehabilitation and revitalization will assist in the elimination of blight and the retention of a neighborhood-serving business in the West Oakland Project Area and will promote retail activity along the Mandela Parkway corridor; and

WHEREAS, the grant is consistent with and will further the purposes of the West Oakland Redevelopment Plan and the Five Year Implementation Plan; now, therefore, be it

RESOLVED: That the Agency hereby authorizes a \$75,000 tenant improvement grant to the Brown Sugar Kitchen to assist with the improvements to the commercial space being leased for this project at 2534 Mandela Parkway; and be it

FURTHER RESOLVED: That the Agency hereby allocates \$75,000 from Fiscal Year 2007-08 West Oakland Redevelopment Operations Fund (9590), West Oakland Base Reuse Organization (88679), West Oakland Repayment Project (S233510) for this grant; and be it

FURTHER RESOLVED: That the Agency authorizes the Agency Administrator or her designee to negotiate and execute the grant contract for this grant, and to take other actions with respect to this grant and project consistent with this Resolution and its basic purposes.

IN AGENCY, OAKLAND, CALIFORNIA, _____

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