

FILED
OFFICE OF THE CITY CLERK
OAKLAND
NOV - 1 PM 3:27

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

TO: Office of the City/Agency Administrator
ATTN: Deborah A. Edgerly
FROM: Community and Economic Development Agency
DATE: November 13, 2007

**RE: Agency Resolution Allocating an Additional \$100,000 from Coliseum
Redevelopment Funds for a Total Allocation of \$225,000 for FY 2007-2008 to the
Coliseum Commercial Façade Program**

**Agency Resolution Allocating an Additional \$100,000 from Coliseum
Redevelopment Funds for a Total Allocation of \$350,000 for FY 2007-2008 to the
Coliseum Commercial Tenant Improvement Program**

SUMMARY

In June 2007, the Redevelopment Agency adopted Commercial Façade and Tenant Improvement Programs for the Coliseum Redevelopment Project Area. Based on first year operations of these programs in the Broadway/MacArthur/San Pablo, Central City East, and West Oakland Redevelopment Areas, staff anticipated completing only five projects for each program and budgeted a total of \$375,000—\$125,000 for the Façade Improvement Program (FIP) and \$250,000 for the Tenant Improvement Program (TIP)—for FY 2007-2008. However, demand for assistance with façade and tenant improvements in the Coliseum Area proved greater than expected. To ensure sufficient funds for FY 2007-2008 façade and tenant improvement projects, staff requests approval of two resolutions allocating an additional \$100,000 for each program.

FISCAL IMPACTS

The requested additional funding totals \$200,000 and will bring the allocation for the FIP up to \$225,000 and for the TIP up to \$350,000 for a total allocation of \$575,000 for both programs in FY 2007-2008.

There are sufficient funds for the allocations in Coliseum Operations Fund (9450), Coliseum Redevelopment Organization (88659), Coliseum – Staff Project (S82600). These funds will be transferred as follows:

- An amount not to exceed \$100,000 to Coliseum Operations Fund (9450), Coliseum Redevelopment Organization (88659), Structures and Improvements Account (57311), Coliseum Façade Improvement Project (T324510)

Item: _____
CED Committee
November 13, 2007

- An amount not to exceed \$100,000 to Coliseum Operations Fund (9450), Coliseum Redevelopment Organization (88659), Structures and Improvements Account (57311), Coliseum Tenant Improvement Project (T324410)

This expenditure will have no negative impact on the General Fund. On the contrary, funding for the Tenant Improvement Program and the Façade Improvement Program 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.

BACKGROUND

The Façade and Tenant Improvement Programs enable business and property owners to undertake improvement projects by providing them with design assistance and dollar-for-dollar matching grants for eligible projects. These programs have been successful at enhancing the appearance and function of commercial properties and encouraging private investment in the Downtown, Broadway/MacArthur/San Pablo, Central City East, and West Oakland Project Areas. Consequently, in June 2007, the Agency adopted the programs for the Coliseum Area.

The strong demand for assistance with façade and tenant improvements in the Coliseum Area became apparent immediately after the programs were adopted. In addition to three FIP applications which had been on hold pending the establishment of the program, staff received 17 applications for the FIP and eight for the TIP within the first four months of operation. Of those applications, the Agency has already entered into reimbursement agreements for a façade and a tenant improvement project. Staff expects to enter into another eight agreements for the FIP and three for the TIP in 2007, and another two agreements for the FIP and four for the TIP before the end of FY 2007-2008.

KEY ISSUES AND IMPACTS

The reimbursement agreements commit the Agency to paying an agreed upon grant amount after a project’s successful completion. The reimbursement amount depends on the project’s scope; the grantee’s available matching funds; the program’s allowable maximum grant; and for the FIP, the amount of property frontage. The maximum grant for the FIP is \$30,000, and for the TIP \$45,000. Seven of the FIP projects ready to enter into reimbursement agreements qualify for the full \$30,000. The other three FIP projects qualify for grants ranging between \$10,000 and \$20,000. All seven of the unsigned TIP projects qualify for the maximum grant of \$45,000. (See Table 1 for anticipated FIP and TIP grant amounts.)

Table 1 – FIP/TIP Grant Amounts

	FIP	FIP Grant Amounts	TIP	TIP Grant Amounts
Applications Received	20		8	
Agreements				
Signed	1	\$ 10,000	1	\$ 45,000
Signing in 2007	8	\$205,000	3	\$135,000
Signing in 2008	2	\$ 50,000	4	\$180,000
Total Grant Amounts		\$265,000		\$360,000

As soon as the Agency enters into a reimbursement agreement for a façade or tenant improvement project, staff encumbers the grant funds for that project. This ensures that sufficient funding will be available to reimburse grantees as soon as their project has been satisfactorily completed. The Agency generally does not enter into a reimbursement agreement without being able to secure funds for the project, and does not reimburse improvements undertaken before program applicants enter into such an agreement with the Agency.

PROGRAM DESCRIPTION

Of the \$375,000 originally budgeted for the Coliseum FIP and TIP, \$50,000 was reserved for architectural assistance, \$100,000 for façade expenses, and \$225,000 for tenant improvements. However, the architectural assistance amount is insufficient for program needs. In addition, the applications that were received and are ready to enter into reimbursement agreements are eligible for grants totaling \$265,000 and \$360,000 respectively for the FIP and TIP. If all of the applications resulted in completed projects, the programs face a gap of \$165,000 for the FIP and \$135,000 for the TIP. Without additional funding for these programs, business and property owners looking to the FIP and TIP for assistance will likely postpone making desired improvements and delay the achievement of redevelopment goals.

SUSTAINABLE OPPORTUNITIES

Economic:

The Façade and Tenant Improvement Programs will improve the physical and economic health of the Redevelopment Project Area through the elimination of blight. The programs will also encourage property owner investment in buildings which will increase tax revenue to the Agency, and attract new retail businesses which will increase sales tax to the City.

Environmental:

Rehabilitated buildings preserve a range of building stock and conserve energy and materials better than new construction.

Social Equity:

The goal of both programs is to improve the physical and economic conditions of the Redevelopment Project Area. New businesses created through the programs will also increase job opportunities in the Project Area.

DISABILITY AND SENIOR CITIZEN ACCESS

Any new construction or improvements that are implemented as a result of a grant award from the Coliseum TI or FI programs will be required to comply with city, state, and federal ADA requirements.

RECOMMENDATIONS AND RATIONALE

Staff recommends approval of the resolutions to increase funding for the Coliseum Commercial Façade and Tenant Improvement Programs by \$200,000 to ensure their continued operation through FY 2007-2008.

ACTION REQUESTED OF THE COUNCIL AND AGENCY MEMBERS

Staff requests that the Agency approve the two Agency Resolutions to allocate from Coliseum Redevelopment Funds an additional \$100,000 for the Coliseum Commercial Façade Improvement Program and an additional \$100,000 for the Coliseum Commercial Tenant Improvement Program.

Respectfully submitted,

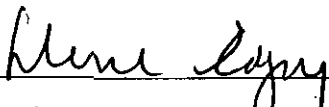


for

Gregory Hunter, Deputy Director
Community and Economic Development Agency
Economic Development and Redevelopment

Prepared by:
Hui Wang, Urban Economic Analyst II


**APPROVED AND FORWARDED TO THE
COMMUNITY AND ECONOMIC
DEVELOPMENT COMMITTEE**



Office of the Agency Administrator

2007 NOV -1 PM 3:28

Approved as to form and legality



Agency Counsel

REDEVELOPMENT AGENCY OF THE CITY OF OAKLAND

Resolution No. _____ C.M.S.

RESOLUTION ALLOCATING AN ADDITIONAL \$100,000 FROM COLISEUM REDEVELOPMENT FUNDS FOR A TOTAL ALLOCATION OF \$350,000 FOR FY 2007-08 TO THE COLISEUM COMMERCIAL TENANT IMPROVEMENT PROGRAM

WHEREAS, the Redevelopment Agency adopted a Tenant 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 areas 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 Project Area; and

WHEREAS, the Program is consistent with and will further the purposes of the Coliseum Redevelopment Plan and its Implementation Plan; and

WHEREAS, the Program incentives include matching grants of up to \$45,000 and architectural services of up to \$5,000 per tenant improvement project for commercial properties throughout the Coliseum Redevelopment Project Area; and

WHEREAS, the Agency allocated \$250,000 from FY 2007-2008 Coliseum Redevelopment funds for the Program's first year of operation; and

WHEREAS, the Agency has received applications for eight tenant improvement projects, which are each eligible to receive a matching grant of \$45,000 and architectural services of \$5,000; and

WHEREAS, the Program has insufficient funds for at least three tenant improvement projects in FY 2007-2008; now, therefore, be it

RESOLVED: That the Agency hereby allocates an additional \$100,000 from FY 2007-2008 Coliseum Operations Fund (9450), Coliseum Redevelopment Organization (88659), Coliseum - Staff Project (S82600) to the Coliseum Tenant Improvement Program for a total allocation of \$350,000 for the Program.

IN AGENCY, OAKLAND, CALIFORNIA, _____, 2007

PASSED BY THE FOLLOWING VOTE:

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

NOES -

ABSENT -

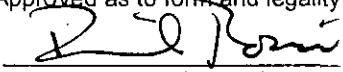
ABSTENTION -

ATTEST:

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

2007 NOV -1 PM 3:28

Approved as to form and legality


Agency Counsel

REDEVELOPMENT AGENCY OF THE CITY OF OAKLAND

Resolution No. _____ C.M.S.

RESOLUTION ALLOCATING AN ADDITIONAL \$100,000 FROM COLISEUM REDEVELOPMENT FUNDS FOR A TOTAL ALLOCATION OF \$225,000 FOR FY 2007-2008 TO THE COLISEUM COMMERCIAL FAÇADE 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 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 Plan and its Implementation Plan; and

WHEREAS, the Agency allocated \$125,000 from FY 2007-2008 Coliseum Redevelopment funds for the Program's first year of operation; and

WHEREAS, the Agency has received applications for 20 facade improvement projects, which are eligible to receive matching grants totaling \$265,000; and

WHEREAS, the Program has insufficient funds for at least six facade improvement projects in FY 2007-2008; now, therefore, be it

RESOLVED: That the Agency hereby allocates an additional \$100,000 from FY 2007-2008 Coliseum Operations Fund (9450), Coliseum Redevelopment Organization

(88659), Coliseum - Staff Project (S82600) to the Coliseum Facade Improvement Program for a total allocation of \$225,000 for the Program.

IN AGENCY, OAKLAND, CALIFORNIA, _____, 2007 .

PASSED BY THE FOLLOWING VOTE:

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

NOES -

ABSENT -

ABSTENTION -

ATTEST:

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