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OAKLAND

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APPROVED AS TO FORM AND LEGALITY

AGENCY COUNSEL

REDEVELOPMENT AGENCY  
OF THE CITY OF OAKLAND  
2009 - 0061  
RESOLUTION NO. \_\_\_\_\_ C.M.S.

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**AUTHORIZING THE AGENCY ADMINISTRATOR TO AMEND RESOLUTION NO. 2008-0077 C.M.S. TO: (1) ALLOW THE AGENCY TO REDUCE THE LOAN AMOUNT FOR TENANT IMPROVEMENTS TO FOX THEATER MASTER TENANT, LLC FROM \$2,700,000 TO AN AMOUNT NOT TO EXCEED \$1,400,000 AND (2) AUTHORIZE REDIRECTING THE REMAINING \$1,300,000 OF THE ORIGINAL LOAN AMOUNT TO A LOAN AGREEMENT WITH FRIENDS OF THE OAKLAND FOX TO FUND NEEDED TENANT IMPROVEMENTS IN THE FOX THEATER**

**WHEREAS**, the Agency adopted Resolution No. 2008-0077 on July 15, 2008 authorizing the Agency Administrator to enter into a Loan Agreement with Fox Theater Master Tenant, LLC (FTMT) in an amount not to exceed \$2,700,000 to fund needed tenant improvements in the Fox Theater; and

**WHEREAS**, under the original resolution GASS Entertainment would 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**, under the original resolution, GASS would borrow the \$1.3 million at market rate (prime plus 2% or 7% at the current rate) and fully amortize the loan over the 15 year term of the lease, portions of which may be deferred for 3 to 5 years; and

**WHEREAS**, under the original resolution, a portion of the Fox Theater on 18<sup>th</sup> Street and Telegraph Avenue will be leased as a restaurant (the "Restaurant Space"); and

**WHEREAS**, under the original resolution, the project never had funds to complete tenant improvements for the Fox Theater's "Restaurant Space" on 18<sup>th</sup> Street and Telegraph of which the landlord's contributions (Fox Theater Master Tenant) are currently estimated to be approximately \$1.4 million; and

**WHEREAS**, since the original resolution regarding the loan, further negotiations with GASS over tenant improvements and lease issues took place and GASS and FTMT agreed to restructure the loan to have \$1.3 million of the \$2.7 million loan intended to be loaned to GASS go instead to Friends of the Oakland Fox (FOOF), and the remaining \$1.4 million of the total loan remain with FTMT; GASS and its parent, Another Planet Entertainment (APE), would guarantee the loan to FOOF.

**WHEREAS**, at its April 13, 2009 Board of Directors meeting, FTMT recommended that the loan to GASS be redirected to FOOF to be used for needed tenant improvements in the Fox Theater and that the balance of the \$2.7 million loan in an amount not to exceed \$1.4 million remain going to FTMT for the purpose of improving the restaurant space at the corner of 18<sup>th</sup> Street and Telegraph Avenue in the Fox Building; and

**WHEREAS**, the interest and repayment terms and conditions of the original loan will remain the same; and

**WHEREAS**, the \$1.3 million loan to FOOF will be secured by GASS, with security including, but not limited to, from revenue from theater operations, and also by APE; 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 City of Oakland hereby finds and determines that the Agency loan to Fox Theater Master Tenant and Friends of the Oakland Fox for the 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 reaffirms the loan to Fox Theater Master Tenant in the reduced amount of \$1,400,000 under the terms and conditions set forth in this resolution; and be it further

**RESOLVED:** That the Agency hereby approves the loan to Friends of the Oakland Fox in the amount of \$1,300,000 under the terms and conditions set forth in this resolution; and be it further

**RESOLVED:** That funds totaling \$2,700,000 shall be allocated in accordance with the Agency resolution from City Center Land Sales (Fund 9511); Fox- GASS TI Loan Project P131122), Loan Expenditures (Account 58312); and be it further

**RESOLVED:** That the Agency Administrator is authorized to negotiate, approve, and execute appropriate loan documents; 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, MAY 19 2009, 2009

PASSED BY THE FOLLOWING VOTE:

AYES- ~~BROOKS~~, DE LA FUENTE, KAPLAN, KERNIGHAN, NADEL,  
~~QUAN, REID~~ AND CHAIRPERSON BRUNNER, - 5

NOES- 0

ABSENT- 0

ABSTENTION- 0

Excused - Quan, Reid, Brooks - 3

ATTEST:



LATONDA SIMMONS

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