

*The Redevelopment Agency of the  
City of Oakland  
Presents the*

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**Broadway/MacArthur/San Pablo Redevelopment Area  
Tenant Improvement Program**

**Program Description**

The Broadway/MacArthur/San Pablo Tenant Improvement Program (TI) is an incentive program that offers business owners matching grants on a dollar for dollar basis for tenant improvements to the interiors of vacant retail spaces. The program is designed to assist property owners in attracting retail businesses to locations that are difficult and costly to renovate and serves as an incentive for new retail businesses to locate within the Project Area. The TI program is only available for commercial spaces that have been vacant for 6 months or longer and have a prospective tenant. A limited amount of architectural design assistance is also available at no cost to the applicant. Program applications will be accepted on an ongoing basis.

**Eligibility**

To be eligible for the TI program, vacant storefronts must be located along one of the target corridors within the Broadway/MacArthur/San Pablo Redevelopment Area:

- Broadway from 27<sup>th</sup> to 42<sup>nd</sup> Streets
- Telegraph from 27<sup>th</sup> to 42<sup>nd</sup> Streets
- San Pablo Avenue from 53<sup>rd</sup> to 67<sup>th</sup> Streets

Under the Tenant Improvement Program, eligible expenses include:

1. Interior design & décor
2. Historic restoration of interior features
3. Plumbing, mechanical, electrical and HVAC
4. Compliance with the Americans with Disability Act (ADA)
5. Demolition and shell reconstruction
6. Hazardous materials abatement, i.e. removal of asbestos

Grants will be awarded for projects based on their fulfillment of the following goals:

- The use is a retail tenant that serves a strategic benefit to the neighborhood commercial district, such as a grocery store, produce market, cafe, restaurant, or video/DVD rental shop.
- Business owners have 5 or more years of experience in management or ownership in the subject business or a related business.
- The tenant will enter into a long-term lease of at least three years.

The Agency will give priority to projects that: (1) do the most to improve the retail climate of the neighborhood, (2) leverage the most private dollars for the size of the grant, (3) are realistic in budget and time frame, and (4) support the Agency's economic development goals for the Broadway/MacArthur/San Pablo Redevelopment Area.

The Broadway/MacArthur/San Pablo Tenant Improvement Program can be used separately or in conjunction with the existing Broadway/MacArthur/San Pablo Façade Improvement Program. The Façade Improvement Program offers matching grants for exterior renovations to commercial storefronts.

### **Grant Funding**

The Tenant Improvement Program will award applicants matching grants on a dollar for dollar basis for eligible tenant improvements. The maximum grant award for each project will be based on the square footage of retail space. The program will match up to \$10 per square foot not to exceed \$45,000. For example, if a commercial space is 2,000 square feet, the maximum grant match would be \$20,000. Matching grants will be distributed in the form of a *reimbursement*, once construction is complete and the terms stated in the Reimbursement Agreement have been met. If the terms and conditions are not met, the rebate will not be issued. In most situations, the grants will be issued in the form of checks payable directly to the property or business owner.

### **Program Requirements**

The following requirements must be met to participate in the Tenant Improvement Program:

1. Applicants must ensure that all required permits are obtained for all tenant improvements as a part of the Tenant Improvement Program.
2. The project design must be approved by staff before the Reimbursement Agreement is signed. After the Agreement is signed, no design changes can be made without staff approval.
3. The program participant will be required to meet Property Maintenance Standards as part of the Program agreement with the City. This Agreement will require applicants to maintain at their expense the improvements completed through the Program for a minimum of three years.
4. All contractors hired by program participants must be licensed contractors that meet minimum insurance requirements set forth by the Program. Applicants are required to solicit three bids for all work to be completed through the Program.
5. Program applicants can be either property owners or new tenants of commercial buildings. However, property owners and affected tenants must both sign the Grant Application in order to participate in the program.

6. If the program applicant is a business owner and not the property owner, the applicant must have a lease with a minimum of three years remaining from the date of application as well as the demonstrated agreement of the property owner.

## **Design Services**

If you do not have your own architect the Tenant Improvement Program provides free architectural design services to eligible applicants. The program currently works with a select group of architectural firms and you will be assigned one that is best suited for your project's needs. The selected architect and a Redevelopment staff member will work directly with property and business owners to create design improvements within the project budget that are appropriate for the new business. The architectural firm may also assist with monitoring the bidding and construction process. The architect will not be completing construction documents as part of the Tenant Improvement Program. Fees for design services will be determined by the size of the project; however, the City will pay no more than \$5,000 per project for design services. The applicant will cover all additional fees beyond this amount.

If you decide to use an out-of-program architect, you are not eligible for the \$5,000 in design assistance and the Agency will not reimburse you for any design work. Designs by any architect must be pre-approved by staff before a Reimbursement Agreement is signed.

## **Program Procedures**

The standard procedures for the Tenant Improvement Program are as follows:

### **APPLICATION PHASE**

1. Applicants interested in the Program complete the **Program Application** and return it to the designated Redevelopment Agency staff member. The application must be signed by all of the owners of the businesses involved and all owners of the property.
2. A Redevelopment staff member will screen the application and determine whether all information is provided and is accurate. Redevelopment staff will check records to determine whether the property is eligible for the program and that there are no pending code violation actions.

### **DESIGN PHASE**

3. Redevelopment staff will meet with the applicant and an architect, either your own or one hired by the City, at the site to discuss the tenant improvements desired and probable costs.
4. The architectural firm will complete a design proposal for the tenant improvements. The scaled drawings will typically include measurements of significant features of the existing and proposed floor plan, construction details, specifications for materials and hardware, specific colors and finishes. The drawings do not constitute construction documents, but in some cases may be sufficient to obtain permits. Additional information may be required to obtain building and any other required permits, which is the responsibility of the applicant.

5. Redevelopment staff will arrange a second meeting with the applicant and the project architect to review the drawings of the suggested improvements and eventually finalize and agree upon the scope of the tenant improvements. One or more alternative designs may be presented at this time, depending on staff recommendation and the type of project. Following this meeting, a finalized design will need to be agreed upon between the applicant and the Redevelopment staff project manager and the applicant will make a formal commitment to provide his/her part of the matching funds for the project.

## **BIDDING PHASE**

6. Using the design documents prepared by the project architect, the applicant gets estimates for work from licensed contractors. Documented bids from three contractors are required for all work over \$200. Different parts of the project, such as lighting, flooring or paint, can be separated for bidding and contracting, provided the applicant is committed to coordinating the contractor's work. In order to perform work, contractors are required to meet the requirements listed on the Program's "Contractor Requirements" form of the Reimbursement Agreement (see below).
7. The architect and Redevelopment staff will review the bids received for compliance with the design documents, and to ensure that no improper substitutions are made. If bids are over budget, the architect will suggest areas to reduce costs.

## **GRANT AND AGREEMENT PHASE**

8. Once a finalized design has been agreed upon between the Redevelopment staff project manager and the applicant, the finalized design drawings and the bids for the work will be submitted to staff and the **Reimbursement Agreement** can be filled out. The Reimbursement Agreement must be executed **BEFORE** construction can begin. The agreement consists of four parts. 1.) The "Agreement for Reimbursement of Tenant Improvement Costs" outlines the financial agreement between the City and applicant. 2.) The "Scope of Work" details the specific improvements and their costs. 3) The "Contractor Requirements" form is for each of your contractors to fill out. 4.) The "Maintenance Standards" attachment states that you are to maintain your improvements for a minimum of three years.

## **CONSTRUCTION & PROJECT COMPLETION**

9. The applicant will hire the contractor(s) and coordinate construction activities with the contractor. Redevelopment staff will not coordinate contractors' work. The applicant will have 30 days to authorize the contractor to begin construction from the date Redevelopment signs the Reimbursement Agreement. If the applicant has not authorized the contractor to begin construction within 30 days, the Redevelopment Agency has the right to terminate the contract and utilize the reserved grant funds for other applicants who are ready to proceed.
10. Applicants of the program must adhere to the City's zoning and building codes. Applicants and their contractors must obtain all appropriate building, sign, electrical, plumbing,

encroachment and other permits required by the City prior to construction. Applicants will be responsible for permit fees. The permit fees for such permits are eligible expenses for reimbursement under the Tenant Improvement Program.

11. Contractor change orders will not be made without the prior approval of Redevelopment staff and the architect. Applicants are responsible for any approved change orders that may affect the approved bid price.
12. Redevelopment staff and the project architect will monitor the work completed by the contractor to ensure that it is done according to the drawings, specifications and agreement. A pre-construction meeting and one to two field inspections will be completed, depending on the size of the project.
13. Once work is completed, Redevelopment staff and the architect will review the completed improvements to ensure that the agreed upon design had been executed correctly. Once the work is approved, the applicant will sign the **Application and Certificate for Payment** and send it along with copies of paid invoices for their reimbursement.

**For More Program Information:**

Thank you for your interest in the Broadway/MacArthur/San Pablo Tenant Improvement Program. With a continuing partnership between local businesses and the City, we can significantly improve the area's retail viability. If you have any questions on whether your project qualifies or to request a program application, please call Christine Lebron at the City of Oakland Redevelopment Agency at (510) 238-3993 or write to [clebron@oaklandnet.com](mailto:clebron@oaklandnet.com) or 250 Frank Ogawa Plaza, Suite 5313, Oakland, CA 94612.

**For Loan Information:**

The grant funds awarded through the TI program are distributed on a reimbursement basis after the project is completed. If you need financial assistance to cover costs during construction and prior to reimbursement, small business loans may be available through OBDC Small Business Finance. For more information about OBDC Small Business Finance loans or to find out if you qualify for a small business loan contact Roberto Costa at (510) 763-4297 ext. 103 or [roberto@obdc.com](mailto:roberto@obdc.com).