

The Redevelopment Agency of the
City of Oakland
Presents the

2006 – 2007 Tenant Improvement Program

Program Description

The Downtown Tenant Improvement Program (TIP) provides incentives to attract catalyst businesses to targeted locations in the downtown area. While the market for retail in Downtown is improving, in many cases the spaces, buildings, or properties that are available require a great deal of tenant improvements to meet the needs of existing retailers. Some property owners are unable to improve their properties to secure higher premium-rent tenants and attract higher end sales customers.

The Downtown Tenant Improvement Program (TIP) is part of the City's business CARES strategy (creation, attraction, retention and expansion.) The program offers property and business owners matching grants on a dollar for dollar basis to \$99,000 of Redevelopment Agency contribution for tenant improvements to the interior of retail spaces. Additional grants may be considered on a case-by-case basis depending on the size of the project and overall impact for the Downtown and subject to Council approval.

Under the TIP incentives can be provided to fund eligible expenses such as:

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

The primary focus of the TI Program though will be helping to design the interior of businesses to ensure their success.

Qualifications for the Tenant Improvement Program

Targeted areas include Telegraph, Broadway, 14th Street and Old Oakland.

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

- The space must have been vacant for 6 months prior to signing the lease.
- Key retail, restaurants, arts and entertainment tenants that would be likely catalyst uses with long-term strategic benefit to the Downtown area.
- Attract a wide range of customers and visitors to the Downtown area and draw upon a regional and sub regional customer base
- Located at key locations/intersections where auto and foot traffic is heaviest.
- Owners with 5+ years of experience in management and/or ownership.
- Provide commitment through a long-term lease terms of 3-5 years or more.
- The business must generate sales tax. Ideally sales of over \$200 a square foot.
- A debt equity ratio not greater than 3-1.

What Assistance Would Be Available?

Matching grants will be awarded based on available funds how much the previous criteria is met and, most importantly, grant money will only be awarded once a design and scope of work is agreed upon. Grants are disbursed upon completion of the project and the business is open. The City may provide you with a limited amount of design assistance in evaluating the design, scope, costs, and feasibility of your project.

How Do I Apply for the TIP Grant?

There is a two step process:

- 1) Call Downtown TIP project manager Brian Kendall or email him to let him know the address of the space to make sure it is in the Program Area's boundaries (see map on website, Oaklandnet.com. Also, let the project manager know what type of business you are looking to open. Once your eligibility is determined you will meet with TIP City staff and designers/architects. The first part of the process is to agree on the design and scope of the interior space and the improvements.
- 2) After a scope of design and improvements is agreed upon between City staff, architects, property, and business owners you will then get your bids on the work. After this you will fill out a Reimbursement Agreement. Once the Agreement is signed off on by City officials you will be sent a copy along with an Application and Certificate for Payment form that you will fill out and send in with your paid receipts once the project is complete.

When and How Will the Grants be Awarded?

Grants will be paid as reimbursement *after* the work is complete and your business is open. You may only be reimbursed for expenses that occur after the date you are pre-qualified by the City and before the date of the City's deadline.

Besides the previously outlined qualifications, priority will be given to projects that: (1) do the most to improve the visual appearance of the downtown, (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 Downtown help support other City Redevelopment projects. Before receiving a grant, the applicant must have his/her designs approved by the City's Planning and Building Office and all permits must be obtained. City staff will be available to advise and assist you on an as-requested basis.

For More Information:

If you have questions concerning the Downtown Tenant Improvement Program please contact Brian Kendall at (510) 238-7403 or email him at bkendall@oakalandnet.com. With a continuing partnership between local businesses and the City, we can achieve a dramatic facelift of the downtown within the next year that will significantly improve the area's business climate. Thank you for your interest in the Tenant Improvement Program.