

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

**West Oakland
Tenant Improvement Program**

Program Description

The West Oakland Tenant Improvement Program (TIP) is an incentive program that offers property and 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 incentivize new retail businesses to locate within the Project Area. The TIP is only available for commercial spaces that have been vacant for six 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.

The Tenant Improvement Program can be used separately or with the existing West Oakland and Neighborhood Commercial Revitalization Façade Improvement Programs.

Program Goals

The Agency will award grants to projects that best fulfill Agency goals. These include but are not limited to the following:

- Improve the retail climate of the commercial district
- Support the Agency's economic development goals for the West Oakland Redevelopment Area
- Provide a strategic benefit to the neighborhood commercial districts. Tenants that have a strategic benefit include:
 - Food related ventures such as grocery stores, restaurants, coffee/tea shops, bakeries, produce markets, health food stores and other specialty food operations
 - Apparel stores
 - Drugstores or pharmacies
 - General merchandise stores
 - Dry goods
 - Hobby shops
 - Medical and dental offices
 - Personal services such as lock and key shops, shoe repair shops, drycleaners, videotape rentals, personal fitness centers, hair salons and barbershops
- Leverage the most private dollars for the size of the grant
- Are the most realistic in terms of budget and time frame

Eligible Expenses

Under the Tenant Improvement Program, eligible expenses include:

- Hazardous materials abatement, such as asbestos removal
- Demolition and shell reconstruction

- Plumbing, mechanical, electrical & HVAC
- Compliance with the Americans with Disability Act (ADA)
- Interior design and décor
- Historic restoration of interior features

Eligible Locations

Priority will be given to businesses locating to the following corridors:

- San Pablo Avenue between I-880 and the Emeryville border
- Seventh Street between Mandela and Cedar
- Mandela between 3rd Street and Beach Street
- Martin Luther King Jr. Way between 23rd Street and W. MacArthur Blvd
- Market Street between 18th Street and 40th Street
- Peralta Street between 3rd Street and 38th Street

Businesses locating to commercially zoned districts elsewhere in the Project Area will be considered on a case by case basis.

Grant Funding

The Tenant Improvement Program awards applicants matching grants on a dollar for dollar basis for eligible tenant improvements. The maximum grant award for each project is 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 are 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 business or property owner.

Program Requirements

Applicants must meet the following requirements to participate in the Tenant Improvement Program.

1. Commercial spaces must have been vacant for six months or longer.
2. The new business must generate sales tax.
3. Staff must approve the project design before the Reimbursement Agreement is signed. After the Agreement is signed no design changes can be made without staff approval.
4. Required permits must be obtained for all tenant improvements.
5. The program participant is required to meet Property Maintenance Standards as part of the Program agreement with the City. This agreement requires applicants to maintain at their expense the improvements completed through the Program for a minimum of three years.
6. 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.
7. 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
8. Business owners must have five or more years of experience in the management or ownership of the subject business or a related business.

9. 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.

Procedures

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

Application Phase

1. Program Applications will be accepted on an on-going basis.
2. 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.
3. A Redevelopment staff member will screen the application for completeness and accuracy of information. Redevelopment staff will also check records to determine whether the property is eligible for the program and that no code violation actions are pending.

Design Phase

3. Redevelopment staff will meet with the applicant and an architect, either the applicant's 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 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 agree on the scope of the façade improvements. One or more alternative designs may be presented at this time, depending on staff recommendation and the type of project. Following this meeting, Redevelopment staff project manager and the applicant must agree upon a finalized design, and the applicant must make a formal commitment to provide his/her share 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.

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 completed and returned to the Redevelopment Agency 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" states that you are to maintain your improvements for a minimum of three years.

Construction and Completion Phase

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 this is done, 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

If you have questions concerning the West Oakland Tenant Improvement Program or wish to request a program application, please contact Ms. Hui-Chang Li at the City of Oakland Redevelopment Agency at 510.238.6239 or write to hli@oaklandnet.com.