



## MEMORANDUM

Date: August 12, 2014  
To: Bryan Montgomery, City Manager  
From: Dwayne Dalman, Economic Development Manager  
Project: **Economic Development Work Session**  
a. Economic Development Workplan  
b. Downtown Revitalization Program

Approved and forwarded to City Council

Bryan Montgomery, City Manager

### Summary and Background

#### *Economic Development Work Plan*

The City of Oakley has experienced steady growth since its incorporation in 1999 and many steps have been taken to help with the overall economic development of the community. Along with the numerous capital projects and other programs to foster economic development over the last 14 years, there have been specific policy documents developed: In 2002, the City adopted an Economic Development General Plan Element; in 2009, the City completed an Economic Development Assessment; and in 2010, the City adopted an Economic Development Work Plan.

In 2014, the City Council created and funded a full-time Economic Development Manager and a shared Senior Planner/Economic Development Analyst position as a commitment to further accelerate the Economic Development growth of the City. The attached draft *Economic Development Work Plan* builds on the previous economic development efforts and improvements that have been made in the community to date. It was adapted from the 2010/11 Work Plan in order to meet the current needs of the community. The Work Plan outlines the key goals and elements of the Economic Development effort moving forward in the next fiscal year. It is anticipated that the plan will be annually reviewed and adapted to meet the evolving needs of the community as the plan is carried out.

The Work Plan goals are shown as follows:

1. Prepare the City of Oakley to be a competitive location for the attraction of new business opportunities and investment in the community

2. Create a comprehensive marketing program
3. Provide tools and resources to help existing Oakley businesses grow and succeed
4. Facilitate new business opportunities and new investment in the community
5. Improve the look and feel of the City while maintaining its small town character

### **Downtown Revitalization Loan Program**

Goal number five of the *Economic Development Work Plan* reflects the continuing desire of the City to maintain its small town character, particularly in the Downtown area. The City has partnered with the private sector to make a substantial financial commitment to the Downtown corridor with the development of the Civic Center Plaza, the Oakley Plaza and neighboring commercial uses.

In order to facilitate this goal, on June 30, 2014 the City Council approved \$275,000 to be allocated to create a façade loan program to further the commitment to the Downtown. The goal of the attached draft *Downtown Revitalization Loan Program* is to leverage public funds and private investment to further enhance the physical appearance and economic vitality of the commercial buildings and businesses in the Downtown. The long-term objectives of the Program include improving the physical appearance of the buildings and area, encouraging the retention and attraction of businesses to the Downtown, increasing property values, increasing tenant stability, increasing pedestrian walkability and creating a stronger “sense of place.”

Loan funds under the program are proposed be used in the following ways:

1. Façade Improvements
2. Landscaping and exterior lighting
3. Signage
4. ADA compliance
5. Building infrastructure upgrades needed for new tenant conversion
6. Demolition

The attached draft *Downtown Revitalization Loan Program* outlines the proposed goals, loan parameters and loan application process for the program.

### **Work Session Focus**

Staff recommends that the City Council discuss and provide input and direction on both the *Economic Development Work Plan* and the *Downtown Revitalization Loan Program*.

### **Conclusion**

It is recommended the City Council receive Staff's report and provide input and direction to Staff on both programs, in order for staff to return in September for final Council approval.

### **Attachments**

1. Draft Economic Development Work Plan
2. Draft Downtown Revitalization Loan Program



City of  
Oakley  
Economic                      2014 - 2015  
Development  
Work Plan

---



## *Executive Summary*



The City of Oakley has experienced steady growth since its incorporation in 1999 and many steps have been taken to help with the overall economic development of the community. Along with the dozens and dozens of capital projects and other programs to foster economic development over the last 14 years, there have been some specific policy documents developed: In 2002, the City adopted an Economic Development General Plan Element; In 2009, the City completed an Economic Development Assessment; and in 2010, the City adopted an Economic Development Work Plan.

In 2014, the City created and funded a full-time Economic Development Manager and a shared Senior Planner/Economic Development Analyst position as a commitment to further accelerate the Economic Development growth of the City. The following Economic Development Work Plan outlines the main goals of the effort with corresponding elements and time-frames. The Work Plan's key goals and elements were adapted from the 2010/11 Work Plan in order to meet the current needs of the community and businesses in Oakley.

The Work Plan Goals are shown as follows:

1. Prepare the City of Oakley to be a competitive location for the attraction of new business opportunities and investment in the community
2. Create a comprehensive marketing program
3. Provide tools and resources to help existing Oakley businesses grow and succeed
4. Facilitate new business opportunities and new investment in the community
5. Improve the look and feel of the City while maintaining its small town character

# Goals

 Prepare the City of Oakley to be a competitive location for the attraction of new business opportunities and investment in the community

 Create a comprehensive marketing program

 Provide tools and resources to help existing Oakley businesses grow and succeed

 Facilitate new business opportunities and new investment in the community

 Improve the look and feel of the City while maintaining its small town character

## *Goal # 1*

### *Prepare the City of Oakley to be a competitive location for the attraction of new businesses and new investment*

A proactive approach to Economic Development involves laying the groundwork to prepare for the attraction of new businesses and new investment in the community. The first step in this process involves identifying sites that have the most potential for new development or for the expansion/location of existing businesses. Maintaining an inventory and marketing these sites will allow for increased visibility from the development and business community.

While some buildings and properties will be closer to “ready to go,” others will need improvements in order to realize their highest potential. The development of an incentive package will provide an opportunity for property owners to partner with the City in improving their properties.

#### **❖ Implementation Elements**

- Update the inventory of sites for new development
  - Partner to promote DuPont property
- Identify and maintain inventory of existing space for expansion/location
- Create and maintain listing on web page/ flyers
- Develop incentive package to promote new investment in the community
  - Downtown Revitalization Loan Program
  - Development Impact Fee Reduction for Commercial Projects
- Partner with Building, Planning & Code Enforcement to coordinate and streamline development and permit activities

## *Goal # 2*

### *Create a comprehensive marketing program*

With the groundwork completed of preparing the City to be a competitive location, a marketing program is needed to “spread the word” of Oakley as a desirable location for new businesses and new investment. The marketing program will highlight Oakley’s advantages through printed materials and on the Economic Development webpage.

#### ❖ **Implementation Elements**

- Create printed materials that promote the City to new investment.  
Materials to include the following:
  - City promotional piece
  - Demographics
  - Traffic Counts
  - Development site flyers
- Update the Economic Development pages on the City’s website
- Improve the Client tracking system

## *Goal # 3*

### *Provide tools and resources to help existing Oakley businesses grow and succeed*

A majority of new jobs created in a community comes from the expansion of existing businesses. Providing the tools and resources that existing Oakley businesses need to grow and expand is crucial to the Economic Development effort.

#### ❖ **Implementation Elements**

- Enhance relationships with the business community and business provider partners
  - Annual business survey
  - Company visit outreach program
  - Strengthen partnership with Oakley Chamber of Commerce, Contra Costa Small Business Development Center and the Workforce Development Board
- Provide tools to promote local businesses
- Provide tools to strengthen local businesses
- Implement an Oakley Entrepreneur Development Program
  - 10-week Entrepreneur Business Plan Training
  - Consolidated Business Plan Forums
  - Workshop Series
  - One-on-one business consulting

## *Goal # 4*

### *Facilitate new business opportunities and new investment in the community*

Attracting new development and new businesses to the City is a key component of any Economic Development program. Preparing the City (Goal #1) and marketing the City (Goal #2) will pave the way for success in attracting new businesses and investment. Attraction activities center on the land that will be developed or the existing buildings that will house a new business/tenant. Identifying real estate with the most potential involves outreaching and developing relationships with realistic and motivated property owners. In addition outreach and relationships with the development and brokerage community is a key component for attraction efforts.

#### ❖ **Implementation Elements**

- Identify real estate with most development potential
- Identify, develop and strengthen relationships with realistic and motivated property owners
- Further develop outreach efforts to development and brokerage community
- Partner with DuPont owners/consultants to further new investment
- Partner with regional organizations/initiatives

## *Goal # 5*

*Improve the look and feel of the City while maintaining its small town character*

The “*look and feel*” or “*sense of place*” are key elements that the Economic Development program will work to convey in its attraction efforts. However, while Oakley continues to grow as a new city, there are key business corridors that do not convey the image and vision that Oakley is working towards. Attracting new investment to the City and retaining existing businesses is linked to the image that the City conveys. Economic Development efforts will work to improve the look and feel of key commercial corridors, while still maintaining the small town character that Oakley does not want to lose in the push for new growth.

### ❖ **Implementation Elements**

- Identify business corridor improvement and priority areas for revitalization
  - Identify funding sources for infrastructure improvements
  - Explore Business Improvement District or Property Improvement District for key commercial corridors
  - Develop Downtown Revitalization Loan Program to facilitate new investment in the downtown area

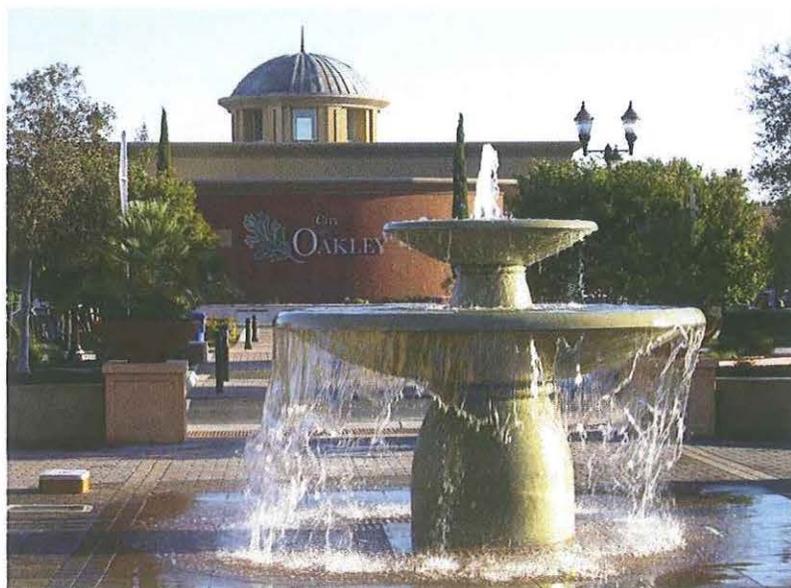




City of Oakley

Downtown Revitalization  
Loan Program

2014 - 2015



## *Executive Summary*



As the City of Oakley has experienced its growth, a continuing goal has been to maintain its small town character, particularly in the downtown area. The City has partnered with the private sector to make a substantial financial commitment to the downtown corridor with the development of the Civic Center Plaza, the Oakley Plaza and neighboring commercial uses.

The goal of the Downtown Revitalization Loan Program is to leverage public funds and private investment to further enhance the physical appearance and economic vitality of the commercial buildings and businesses in the downtown corridor. The long-term objectives of the program include improving the physical appearance of the buildings and area, encouraging the retention and attraction of businesses to the corridor, increase property values, increase tenant stability, increase pedestrian walkability and create a stronger “sense of place”.

Loan funds under the program can be used in the following ways:

1. Façade Improvements
2. Landscaping and exterior lighting
3. Signage
4. ADA compliance
5. Building infrastructure upgrades needed for new tenant conversion
6. Demolition

# Goals

 Leverage public funds and private investment to enhance the physical appearance and economic vitality of the commercial buildings and businesses in the downtown corridor

 Encourage the retention and attraction of businesses

 Increase property values

 Increase tenant stability

 Increase pedestrian walkability

 Create a stronger “sense of place”

# *Loan Parameters*

## ❖ **Eligible Applicants**

- The loan program is targeted to property owners and/or tenants located in the Oakley Downtown Specific Plan Project Area (see attached map)
  - A tenant with a remaining lease term of 10 years or more may be eligible for the Program, with written consent of the property owner

## ❖ **Maximum Loan Amount**

- The Program will fund up to \$75,000 of approved project costs
- With the recommendation of City staff, the Oakley City Council may consider approval of a loan higher than the maximum limits for a project that exceeds the stated objectives of the Program and will serve as a catalyst for future improvements in the Downtown
- Loan funding will be available on a first-come, first-serve basis

## ❖ **Project Equity Requirements**

- Loan applicant is required to contribute minimum equity of 10% of the total project costs
- Proof of applicant equity expenditures is required prior to loan funding

## ❖ **Collateral Requirements**

- Each loan shall be secured with appropriate collateral as determined by City staff. Typical collateral could include a Deed of Trust, UCC Filing and/or a personal guarantee

## ❖ Loan Terms

- The term of the loans will be 5 years for loans up to \$25,000 and 10 years for loans greater than \$25,000
- Of the total loan amount approved, 50% will be issued as a forgivable 0% interest loan. This portion of the loan will be written down in equal annual increments for the term of the loan, as long as the improvements are in place
- The remaining 50% of the approved loan amount will be in the form of a low interest loan at a 2% fixed rate for the life of the loan
- Loan payments may be deferred for a period of 12 months at the request of the applicant

## ❖ Prevailing Wage

- The applicant shall require its contractors and subcontractors to pay prevailing wages to all persons performing work on the project as required by California Labor Code section 1720.

## ❖ Other Terms

- All improvements must conform with the Uniform Building Code and the City of Oakley Planning and Building permit and approval process
- Property owners with outstanding building code or code enforcement violations will not be eligible for the program
- Loans can be prepaid with no prepayment penalty
- If new applicant is approved, loans may be assumed
- Loan will become due and payable if:
  - Building is sold (loan to property owner)
  - Business is sold (loan to tenant)

## *Loan application process*

1. Meet with Economic Development staff to discuss applicant's preliminary plans and proposed project impacts
2. The City of Oakley will provide an architect/design firm to provide conceptual drawings of the proposed improvements up to a maximum amount of \$2,000 per application.
3. Submit loan application together with the following:
  - a. Description of the proposed improvements
  - b. Description of the impact of the proposed improvements towards the stated goals of the program
  - c. Preliminary cost estimate
  - d. Proof of property ownership or long-term lease agreement with attached property owner consent
  - e. Proof of loan repayment ability in the form of three years tax returns/and or business financial statements
4. Loan applications will be reviewed by City Staff and recommended to the City Manager for final approval based on the following criteria:
  - a. Strength of project impacts towards program goals of enhancing the physical appearance and economic vitality of the downtown corridor
  - b. Applicant credit history to be pulled at time of application
  - c. Applicant equity requirement
  - d. Applicant loan repayment ability
5. Loan funds will be dispersed after proof of project equity funds verified and loan documents executed

# Map of Downtown Project Area



Downtown Specific Plan Subarea Map

Figure II.1