

### PROJECT BASICS

Type:

**Real Estate – Retail and Community Facility**

Total Development Cost:

**\$86.5 million**

LISC New Markets Tax Credit Allocation:

**\$5 million**

### PROJECT STAKEHOLDERS

LISC Program:

**San Francisco Bay Area LISC**

Investor:

**Bank of America CDC**

Lenders:

**Fox Oakland Theater, Inc.**

Sponsor/Developer:

**Fox Oakland Theater, Inc.**

Other Key Stakeholders:

**City of Oakland, NTCIC, and CSDC.**

### COMMUNITY NEED

- **44.8% Poverty Rate**
- **Unemployment rate 1.66 times the national average**
- **Family income 30.4% of the area median**

### COMMUNITY IMPACT

- **46,910 sq ft of community space and 75,150 sq ft of commercial space**
- **171 Permanent Jobs**
- **125 Construction Jobs**
- **3,000 performance space seats**
- **600 educational capacity**

### Project Snapshot:

- The project entailed the renovation of a National Historic Landmark – the Fox Theater in Oakland, California.
- The project involved: the renovation of the Fox Theater into a live performing arts center that is capable of accommodating nearly 3,000 patrons, the creation of a permanent home for the Oakland School for The Arts, the creation of a restaurant, and an exterior façade renovation.

### Project Background:

- For over three decades the Fox Theater, opened in 1928, was the center of the downtown entertainment and shopping district in Oakland, California.
- In 1966, the theater closed its doors to the public as downtown Oakland lost its theaters, its department stores and much of its vitality. As the building sat vacant, it began to suffer from roof leaks, decay, graffiti and fires.
- Despite numerous attempts to raze the building to use the land for a parking lot or other structures, the Fox Theater survived and in 1978 the theater was named a city landmark. Even with its new standing as a city landmark it would take nearly 30 years to begin the rehabilitation of the theater.
- The City of Oakland Redevelopment Agency began creating a plan to rehabilitate the theater and revitalize the Uptown District by attracting local residents and businesses to locate in the area surrounding the theater.
- In 2006, Bank of America, National Trust Community Investment Corporation, and Charter School Development Corporation closed New Markets financing to rehabilitate the Fox Theater. The rehabilitation included renovating the space into a live performing arts center and charter school. Another Planet Entertainment manages the theater/performing arts space and has already presented a number of high profile artists to sell out crowds at the Fox. The Oakland School for The Arts (OSA), a performance arts focused 500 student charter school, is housed at the renovated Fox Theater. OSA's location at the Fox allows its students access to a vibrant, creative, arts-focused metropolitan hub, and is easily accessed by public transportation. Additionally, the renovation of the Fox included the creation of a new restaurant and bar to serve patrons of the theater, and a complete restoration of the historic exterior façade.
- The Project has removed dangerous and hazardous materials from an existing building and replaced them with recycled content materials and other environmentally sensitive materials. Because it is located by a BART station, the rehabilitated Project will encourage the use of mass transit and help to reduce the reliance on automobiles.



### Leveraging Solutions through New Markets Tax Credits (NMTC):

- Over the two year construction period to renovate the theater, change orders and cost overruns created a gap in financing to complete the project. LISC's NMTC financing was able to provide sufficient net equity to the project to cover the gap.
- \$5 million in NMTC allocation authority provided a custom product with non-traditional/favorable terms including: subordinated debt, a below market interest rate, lower than standard origination fee, a non-tradition form of collateral, a longer interest-only payment period, and a lower than standard loan loss reserve requirement.