

**CITY OF OAKLAND AND
OAKLAND REDEVELOPMENT AGENCY**
JUN 28 2005 PM 9:13
AGENDA REPORT

TO: Agency Administrator
ATTN: Deborah Edgerly
FROM: Community and Economic Development Agency
DATE: June 28, 2005

RE: **REPORT REQUESTING COUNCIL AND AGENCY CONSIDERATION OF
DRAFT DEVELOPMENT ALTERNATIVES FOR THE OAKLAND ARMY
BASE PROJECT**

SUMMARY

The Redevelopment Agency (Agency) will take title to the 165-acre Gateway Development Area (GDA) portion of the Oakland Army Base (OARB) in August 2006. To facilitate the Agency's consideration of development proposals, the Oakland Base Reuse Authority (OBRA) in December 2004 issued a Request for Proposals to solicit a team of design, land use planning, economic and market experts. Their charge was to evaluate the development options for the Base and generate recommended development programs for Agency consideration.

After reviewing responses to the RFP, OBRA selected the team of Design, Community and Environment (DC&E--formerly Wolfe Mason Associates), Bay Area Economics (BAE), and Simon Martin-Vegue Winkelstein Moris (SMWM) to conduct land use economic, market feasibility, and site planning analyses for the GDA.

- ◆ DC&E is the lead consultant and handles project management, land planning, and stakeholder participation; it specializes in land planning, urban revitalization and stakeholder involvement.
- ◆ BAE is a subconsultant that performs economic and market analysis for the Team; it has provided comprehensive real estate economic analysis and urban development services to public, private, non-profit and institutional clients.
- ◆ SMWM is a subconsultant responsible for developing site planning and design options; it has directed a wide variety of planning efforts including urban mixed-use developments, downtown master plans, design guidelines, and economic development strategies.

The consultant team has now completed their information gathering and analysis, culminating in four potential land use and redevelopment strategies, along with other results such as stakeholder interviews, economic analysis, market findings and the results of an internal, interdepartmental staff review. The report has not been completed yet, but preliminary results are presented in this staff report for Council review and consideration. The land use and redevelopment alternatives that have been compiled are as follows:

- ◆ **“Eco-Oakland”** which focuses on providing flexible land uses that support a variety of City of Oakland economic development initiatives.
- ◆ **“Destination Oakland”** which provides a signature retail destination for Oakland and Bay Area residents that capitalizes on the approximately 300,000 cars per day that pass by the site.
- ◆ **“Gateway Oakland”** which captures the viable land uses that would provide a range of employment opportunities for Oakland residents.
- ◆ **“Movie Production Park”** which provides a home for film production facilities for which there may be a market demand.

The alternatives are not ranked; the order of presentation is not intended to imply the marketability of the alternative.

This report summarizes the process that has been undertaken and other background information about the land use and economic analysis effort, outlines the criteria used in evaluating the alternatives, the key Agency issues associated with the development alternatives, the context within which the preferred OARB development options should be considered, and a proposed process for formulating our development strategy for the former Army Base. A status report from the consultant is attached. The forthcoming final consultant product will include an evaluation of the alternatives on both a quantitative level (identifying for example the employment potential, sales tax and property tax generated by each alternative), and qualitative level (for example, assessing the steps required to realize each alternative, and the likelihood of and estimated amount of public subsidy).

FISCAL IMPACT

There is no fiscal impact to the Agency or City for this project. OBRA is funding a \$300,000 professional services contract for the project through an Economic Development Administration Grant. However, the decisions reached about the redevelopment of the Army Base could have far reaching fiscal impacts on the City and the Agency, both positive and negative, depending on the type, amount and timing of future development.

BACKGROUND

The former Army Base has long been recognized as a unique opportunity to a) supplement the City’s economic base, b) supply needed business services, c) support a successful Port maritime expansion effort, d) produce employment for Oakland residents, e) generate revenues, and f) create a western entry to the city for which citizens can be proud. In July 2002, the OBRA approved the *Final Reuse Plan for the Oakland Army Base*. This plan presented a schematic

redevelopment scenario that was one of the mandatory components of meeting the base reuse requirements for transfer.

One important component of that Plan was the delineation of a conceptual reuse strategy initially devised by the Agency. Known as the “Flexible Alternative” the reuse scenario consisted of a variety of distinct land use activities: light industrial, research and development, flex office, business-serving retail, high-end commercial retail, hotel, warehousing, distribution and ancillary maritime support activities. The Flexible Alternative was a menu of acceptable land use activities that could be further refined by market conditions and demands at time the OARB was developed. With Agency ownership of OARB only 14 months away, the current analysis effort begins that refinement of development options for consideration by the Agency. It builds upon the Final Reuse Plan effort by evaluating the land uses in the Reuse Plan (as well as other development proposals that have been brought to the Agency over the past few years) from a comprehensive land use economic and market feasibility approach. Then, it presents those land uses that have strong market feasibility in a series of illustrative development plans for the site. The findings can be used by the Agency in specific instances such as facilitating a Master Developer solicitation, or for more general applications such as providing a template or baseline against which any future development proposals are evaluated.

As a brief background on the process that has been followed, over a 3-month period in coordination with OBRA staff, the consulting team completed the following work tasks:

- Built upon land use recommendations of the OARB Final Reuse Plan, recent development interest in the site and other indicators, by developing a comprehensive list of possible land use activities;
- Developed a list of criteria (such as employment generation potential, sales tax revenue, likelihood of the need for public subsidy, etc) by which each use would be analyzed;
- Completed over a dozen stakeholder interviews with several OBRA officials, key City representatives (including Port of Oakland staff), community organizations, and the Chamber of Commerce to solicit information regarding OARB development issues;
- Completed an *Oakland Army Base Market Scan* that provides an overview of the market and demographic trends in the Bay Area and the City of Oakland;
- Compiled an *Opportunities and Constraints Report* that provides an analysis of the physical, regulatory and policy considerations affecting the Base;
- Convened an Expert Panel of developers, real estate brokers and industry leaders to provide further insight on the market potential of the Base;
- Held a Design Charette with approximately 25 staff members from OBRA, the City, CEDA, City Attorney’s Office, City Administrator’s Office, and the Public Works Agency, as well as representatives of several OBRA Governing Body members, to receive feedback on the four development alternatives that had begun to emerge from the earlier market analysis process; and
- Prepared a status report summarizing the findings to date for initial presentation to the OBRA, the Agency, the Planning Commission and the Port Commission during the months of June and July 2005. The final report and presentation is scheduled for September 2005.

Each step in the analysis process yielded valuable information that has led to the formation of four preliminary OARB site alternatives. The attached consultant report provides detailed information on the process and results; the most important information is summarized below.

Stakeholder Interviews & Expert Panel Discussions

Over a dozen stakeholder interviews with key interest groups were held to solicit information regarding OARB development issues (see “Pre-Development Planning Process—Chapter 1 of consultant report). Several key findings emerged from the stakeholder interviews:

- First, there are competing views of how the site should be developed. Some stakeholders wanted to develop the site to directly improve Oakland’s fiscal and economic situation while others were more concerned about improving the quality of existing residential areas or helping to expand an undeveloped or underutilized portion of Oakland’s economy.
- Second, there was a lot of interest in moving industrial uses out of residential areas of the city, especially those industrial activities operating in the West Oakland neighborhood. Two types of industries specifically mentioned were recycling businesses and trucking support businesses.
- Third, in the stakeholder meeting with the Port of Oakland, Port officials confirmed that it currently controls enough land for their future maritime activities. The Port also indicated that there is an interest in a Logistics Center in the Gateway Development Area; and that many support uses, such as truck parking, truck services and container storage, could be located remotely in other parts of the Bay Area and need not be located at or near the Port.

To get “real world” feedback on the emerging development directions for the site, an Expert Panel discussion was held on May 19, 2005 and included the following individuals:

- ◆ Christine Firstenberg, Senior Vice President, Metrovation Brokerage
- ◆ Steve Simi, Owner, Connell Auto Group
- ◆ James Bohar, Senior Vice President, Colliers International
- ◆ Jeff Starkovich, Managing Partner, BT Commercial
- ◆ Ned Kopp, Independent Film Producer
- ◆ Robert Sakai, Technology & Trade Director, EDAB
- ◆ Scott Gleaser, Principal, Chamberlin Development Group

The panelists provided market feedback on the advantages of the site, potential market uses, the physical arrangement of uses, and potential synergies between them. Their input, like that of the stakeholder participants, had a considerable effect in shaping the site alternatives listed in the consultant report. As a result of the third-party input received in this project, four “themes” for use of the Base began to emerge:

Use as a Receiver Site. Numerous parties recommended that the site should be used as a receiver site for removing incompatible industrial uses from residential areas or underperforming uses from other parts of the city, in order to support redevelopment efforts at the vacated sites. Specific recommendations included recycling businesses and truck services from West Oakland, industrial uses from other parts of the City, and auto dealers from Broadway Auto Row. Following this strategy would open up other parts of the city for development and improve the quality of life in these areas while retaining viable businesses and employers in Oakland.

Support the Port of Oakland. Because the Port's maritime district is located immediately to the south of the site, many parties recommended that uses on the GDA predominantly support the Port's current and future activities. While the Port has stated that it has enough land for its current and future expansion requirements, there are many business activities that may be appropriate to locate close to the Port for efficiency purposes as well as market demand.

Make the Site a Destination. Due to the visibility of the site and its location within the region, numerous suggestions were made to create a signature destination on the OARB. There were many suggestions for the specific type of uses, however most stakeholders agreed that the site visibility and waterfront location created a wide variety of opportunities for a unique development venture, a gateway entry into Oakland, and enhanced waterfront development opportunities while meeting the community and economic development objectives of the Agency.

Accommodate the 21st Century Economy. Several parties recommended that the uses on the Base should provide land for the activities that will drive the economy in the 21st century. To address this, the consultant team additionally researched the works of a number of Bay Area "Futurists" and considered how to approach 21th century uses in new ways.

Oakland Army Base Market Scan Report

The *Oakland Army Base Market Scan* (Chapter 2 of the consultant report) provides an overview of the market and demographic trends in the Bay Area and the City of Oakland, and analyzes 25 potential uses against evaluation criteria that range from job creation potential and economic benefits, to land use compatibility of the site. The evaluated uses were either recommended in the *Final Reuse Plan*, proposed for the Base post-adoption of the Final Reuse Plan, under Agency consideration (either in the past or currently), and/or recommended by stakeholders and OBRA staff. The purpose of the Market Scan was to evaluate the many concepts and ideas that have been previously proposed for the Base in order to narrow the range of key anchor land uses that can form the nucleus of one or more alternative visions for the site.

The methodology used to prepare the Market Scan included interviews with a wide range of key informants, research regarding real estate and economic trends, professional experience with similar base reuse and large-scale development concepts, and formulation of evaluation

measurements based upon a range of criteria. Definitions of the land uses under consideration are listed in Attachment 1 of this report; in summary, the uses are:

<p>Light Industrial / Flex-Office</p> <ul style="list-style-type: none"> ◆ Office ◆ General Light Industrial/Flex ◆ Research & Development ◆ Industrial / Flex Space Condominiums 	<p>Industrial / Warehouse & Trucking Services</p> <ul style="list-style-type: none"> ◆ General Warehousing and Distribution ◆ Wholesale Food Distribution and Warehousing ◆ Ancillary Maritime Support Services and Depots ◆ Truck Plaza and Truck Services ◆ Eco-Industrial Park ◆ West Oakland Industrial / Recycling Businesses
<p>Media Center: Film / Computer Effects Production Facilities</p> <ul style="list-style-type: none"> ◆ General Film or Computer Effects Production Facility ◆ Production Facility & Entertainment Amusement Park 	<p>Automobile Retailers</p> <ul style="list-style-type: none"> ◆ NUMMI Hybrid Auto Production ◆ Traditional Automobile Mall ◆ Alternative Automobile Mall—Hybrid Car Emphasis
<p>Retail</p> <ul style="list-style-type: none"> ◆ Big Box Retail ◆ Town Center/Lifestyle Retail ◆ Outlet Mall 	<p>Hotel / Lodging</p> <ul style="list-style-type: none"> ◆ Luxury Hotel ◆ Mid-Price Hotel ◆ Budget Motel ◆ Extended Stay Hotel ◆ Fractional or Club Resort
<p>Housing</p> <ul style="list-style-type: none"> ◆ High-Rise Housing ◆ Mid-Rise Housing 	

Each of the land uses was evaluated against a set of criteria developed by the consultant team, based on input from OBRA and City of Oakland staff and elected officials. In order to provide a systematic framework and enable a perspective that balances competing goals for the site, the evaluation criteria were organized according to the three “E’s,” a system of evaluating sustainable land uses used by the City of Oakland, other Bay Area cities and regional organizations. The “E’s” refer to the concepts of sustainability as applied to Economics, Equity, and Environment (see Attachment 2 for details):

Economic Criteria	
❖ Total Employment Per Acre	❖ Long-Term Market Support (After 2010)
❖ New Jobs Per Acre	❖ Residual Land Value
❖ Sales Tax Revenue Per Acre	❖ Likely Developer Interest in RFP
❖ Property Tax Revenue Per Acre	❖ No Subsidy Needed
❖ Short-Term Market Support (2005 - 2010)	

Equity Criteria	
❖ Living Wage Job Per Acre	❖ Contributes to Placemaking
❖ Inclusion in the New Economy	❖ Supports Other Citywide Economic Development Goals
❖ Known Community Support (Known or assumed support for the use on the site)	

Environmental Criteria	
❖ Land Use Compatibility: West Oakland	❖ Minimizes Transportation Impacts
❖ Land Use Compatibility: Port Uses	❖ Enhances Gateway
❖ Minimizes Environmental Impacts	❖ Minimal Administrative / Regulatory Steps (Steps needed to locate the use on the site)

Evaluation results are illustrated in Attachment 3: Preliminary Evaluation Matrix. Detailed findings of the market and economic feasibility analysis of the land uses are included in the attached consultant report. In summary:

Uses with Moderate to Strong Outlook

[In either a near-term (2005-2010) and/or long-term (beyond 2010) projection]

- | | |
|--|---|
| <ul style="list-style-type: none"> ◆ Automobile Sales Center ◆ Industrial, Flex, and R & D Space ◆ Truck Services for Maritime Support ◆ Big Box Retail ◆ Outlet Mall ◆ Luxury Hotel | <ul style="list-style-type: none"> ◆ Office ◆ Warehouse and Logistics ◆ Recycling and Eco-Industrial Park ◆ Lifestyle Retail ◆ Film Production Facility ◆ Housing |
|--|---|

Uses with Limited Demand or High Risks

[In either a near-term (2005-2010) and/or long-term (beyond 2010) projection]

- | | |
|--|--|
| <ul style="list-style-type: none"> ◆ Mid-Priced, Budget, and Extended Stay Hotels ◆ Specific Manufacturing Concepts (e.g., NUMMI) ◆ Wholesale Food Distribution | <ul style="list-style-type: none"> ◆ Film Production Theme Park ◆ Interstate Truck Plaza |
|--|--|

Site Development Constraints and Opportunities Analysis

Before beginning site planning exercises to locate the more marketable land uses within the Gateway Development Area (GDA) boundaries, a number of site development considerations

were identified. These considerations related to unique opportunities, physical, regulatory and /or policy constraints to development, and other factors that must be taken into account during development of the site.

As background, during the earlier Base reuse planning processes the GDA for planning purposes only, was divided into several subareas (see Attachment 4):

- ◆ **Central Gateway.** The Central Gateway is located just south of West Grand Avenue and west of Maritime Street. This area is the largest development site within the GDA.
- ◆ **East Gateway.** This site is located south of West Grand and east of Maritime Street. It is adjacent to the future Port property and has access to the North Gateway under the elevated freeways.
- ◆ **North Gateway.** This site consists of the Baldwin Yard and the Subaru Lot. (The Subaru Lot was not originally a part of the August 2003 conveyance from the Army; it was purchased in November 2004 from the U.S. Army Reserve)
- ◆ **West Gateway.** The West Gateway is bounded by the Oakland harbor and Caltrans Bay Bridge facilities. It is highly visible from the Bay Bridge and I-80. Caltrans is using part of the West Gateway area for Bay Bridge construction staging through 2010; this could be extended to 2013 and longer if the bridge construction is delayed. Thus, this area is expected to be available for development some time after the rest of the site. A 15- acre area along the waterfront is dedicated for waterfront open space per the Tideland Trust requirements.

The GDA was evaluated in relation to 1) the impact of adjacent land uses; 2) the applicability of existing policy, regulatory and physical considerations; 3) site visibility from surrounding areas, and views from within the GDA itself; 4) transportation and utilities; 5) environmental contamination; and 6) soils and stability. Detailed in Chapter 3 of the consultant report, a summary of the site development considerations is as follows:

- ◆ There are 165 acres of developable land available in the GDA. The majority of the land is available for development in August of 2006. The West Gateway will not be available for approximately 10 years.
- ◆ The site is relatively isolated from the rest of Oakland as a result of the elevated freeways, railroad tracks, the Port of Oakland and the EBMUD facility. These features present both opportunities and constraints to development.
- ◆ 15 acres of the site must be dedicated for ancillary maritime uses as a result of Bay Conservation and Development Commission (BCDC) requirements.
- ◆ 15 acres of the West Gateway area must be dedicated to open space per State Lands Commission requirements.

- ◆ To address homeland security issues, land under the elevated freeways can only be used for unladen truck parking, roadways, landscaping, and utilities.
- ◆ The City is considering a request for an Exclusive Negotiating Agreement (ENA) for a Costco store in the North Gateway Area. In recognition of the ENA request, a big box retail establishment is accommodated in each alternative.
- ◆ The site is highly visible from regional roadways and there are tremendous views of regional landmarks from the site.
- ◆ Access to the site must accommodate truck traffic that serves Port of Oakland operations.
- ◆ The site will be remediated to commercial and industrial standards. Residential uses could be built if the site (or part of the site) is remediated to a higher standard and the current land use restrictions on residential activity are removed.
- ◆ Due to the presence of fill, all new buildings will require either foundations with special footings or piles.

Site Alternatives

Based on the stakeholder interviews, land use activity evaluations, the Market Scan, the Expert Panel discussions, and the Opportunities and Constraints Report, four preliminary site alternatives for the GDA have been prepared. Where proven feasible from a market perspective, land uses from the Final Reuse Plan have been incorporated into the alternatives. These alternatives are intended to present the Agency with different, yet viable alternative visions for the site.

The four alternatives are:

- ◆ **“Eco-Oakland”** which focuses on providing flexible land uses that support a variety of City of Oakland economic development initiatives.
- ◆ **“Destination Oakland”** which provides a signature retail destination for Oakland and Bay Area residents that capitalizes on the approximately 300,000 cars per day that pass by the site.
- ◆ **“Gateway Oakland”** which captures the viable land uses that would provide a range of employment opportunities for Oakland residents.
- ◆ **“Movie Production Park”** which provides a home for film production facilities for which there may be a market demand.

The alternatives are explained in more detail below:

Eco-Oakland (Alternative 1)

With an emphasis on light industrial and Port-related uses, the Eco-Oakland alternative focuses on providing flexible uses that support the needs of the City of Oakland and the Port of Oakland. West Oakland in particular is currently impacted by a concentration of private recycling facilities, truck services, and other light industrial support services. However there are other Oakland neighborhoods that also experience some of the same incompatible land uses impacts. This alternative would allow many of these land uses to move to the OARB site.

The Eco-Oakland alternative includes logistics centers, an eco-industrial park, big-box retail and office uses (see Attachment 5 of this report). At the heart of this alternative is a large logistics center which is a state-of-the-art distribution center (as described in Attachment 1). In its stakeholder meeting with staff and the consulting team, the Port of Oakland identified a logistics center as a potential use that would support the Port's needs and also have a high market demand. This alternative dedicates approximately 56 acres for this use adjacent to the Port and the planned Joint Intermodal Terminal. The site plan includes large parcels that can be internally configured to meet the needs of the users. The assumed floor area ratio (FAR) for this use is .45. The BCDC requirement for 15 acres of ancillary maritime services is fulfilled through logistics center uses.

Eco-industrial uses also form a key theme of this alternative and are concentrated on the northwest side of the site for a total of approximately 37 acres. This acreage could support wide variety of users such as recyclers, scrap brokers, gravel crushing operations and other industrial users. The light industrial character of this area and its focus on reducing waste through symbiotic relationships among the businesses would also make this area a good location for uses such as a solar cell manufacturing facility. The site plan assumes an FAR of .3 to .4 for the eco-industrial area.

The City is currently in negotiations to bring a Costco store to Oakland and is considering the Subaru Lot in the North Gateway as its preferred location. Eco-Oakland includes 15 acres for Costco on this site.

Finally, the West Gateway is identified for office uses. Although planning is very preliminary due to its longer development timeline, the Eco-Oakland alternative envisions an office building providing an iconic statement for the "gateway" to Oakland from the Bay Bridge.

Destination Oakland (Alternative 2)

The focus in Destination Oakland is to provide a signature retail destination for Oakland and Bay Area residents that capitalizes on the approximately 300,000 cars that pass the site on a daily basis. The retail uses are divided between urban auto sales showrooms and a hybrid

lifestyle/power center. Additional space is provided for truck services, film production and a hotel/residential tower.

The primary focus of this alternative is on a retail main street in the Central Gateway. Attachment 6 shows the land use pattern of this alternative. Approximately 50 acres are devoted to the lifestyle/power center, which could include a Costco, other big box retailers, and smaller retail outlets. Additionally, residential units could be accommodated above the retail, provided that air quality and noise issues do not pose a problem.

The Auto Sales Complex combines a traditional auto dealership layout with a more urban idea that employs structured parking to create a vertically organized structure for display and storage of vehicles; it relies less on surface parking. This approach is more pedestrian friendly and integrates better with the other retail uses. With exposure on both sides of the freeway, the auto sales complex has great potential for visibility. Auto Sales activities make up approximately 32 acres in this alternative.

Film production support is also included in this alternative. With approximately 10 acres, adequate space is available for warehousing props and production equipment, a soundstage or production facility, and other film industry support facilities. This use was identified as desirable both by the City of Oakland which currently operates a production incubator site on the OARB and by industry representatives who indicated a lack of permanently dedicated film production space in the Bay Area. This site was chosen so that the freeways and railroads would have less impact in terms of noise and vibrations on the filming activities.

Adjacent to the future Joint Intermodal Facility is approximately 22 acres for trucking support services. This could include maintenance, parking, and other facilities that support the Port of Oakland and would satisfy BCDC's ancillary maritime services requirement for the OARB site.

In this alternative, the West Gateway area would host a hotel/residential complex including a tower that brings a sense of identity to the site. The concept could be adjusted to meet market demand but could accommodate a fractional resort or timeshare in this configuration as well.

Gateway Oakland (Alternative 3)

Based on market research and discussions with a range of experts, this alternative captures the viable land uses that provide jobs for Oakland residents. At the heart of one of the most prolific regional centers for biotech and life sciences, the Base can provide much needed expansion space for existing Bay Area research and development companies and attract new businesses to the area based on the easy access and proximity to a large number of synergistic industries, academic centers and companies.

Gateway Oakland focuses on jobs-producing uses including research and development, bio-manufacturing, logistics centers, and higher-wage retail (see Attachment 7). Research and Development, which could include high-tech and bio-manufacturing, comprises approximately 51 acres in the Central Gateway area. The area is laid out with larger superblocks that could be

internally configured to meet the needs of the end user. Some of these users may prefer a site that is less visible from the freeway for security reasons and the area provides a number of options for different users.

A logistics center is also a major land use in this alternative with approximately 34 acres, adjacent to the Port and the Joint Intermodal Terminal. Although this acreage is less than the 56 identified in the Eco-Oakland alternative, research indicates that this lesser amount is still viable; it also meets the BCDC ancillary maritime services requirement for the Base.

This alternative also includes the Costco store or other big box retailer on the Subaru site in the North Gateway area. A 12.7 acre film production area that could include warehousing for props and production equipment, a soundstage or production facility, and other film industry support facilities is also proposed.

The West Gateway would contain office uses that could relate to the research and development area. Although planning is very preliminary for this site due to its longer development timelines, this alternative envisions an office tower providing an iconic statement for the “gateway” to Oakland from the Bay Bridge.

Movie Production Park (Alternative 4)

This alternative provides a home for the proposed film production park currently under discussion between the City and a major film production company. Plans for this proposal are very preliminary and, since it forms the core of this approach, this alternative has not been developed to the same level of detail as the earlier three alternatives.

Attachment 8 of this report depicts the organization of land uses in the Movie Production Park alternative. At approximately 78 acres, the film production park is the major use on the site. Details on the program for this area, internal configuration, and densities would be developed at a later date. Approximately five acres in the North Gateway are provided for additional film production support activities .

This alternative also includes the Costco store on the Subaru Lot and 16.5 acres of hotel/residential/fractional ownership units in a combination of the West Gateway site and in a portion on the Central Gateway area.

15 acres of trucking support services are sited adjacent to the future Joint Intermodal Terminal. Potentially consisting of maintenance, parking, and other facilities that support trucks accessing the Port of Oakland, this feature addresses the ancillary maritime services requirement for the Base.

Next Steps

As described earlier, the *consultant report contains the following sections:*

- ◆ Background information about the GDA site and a summary of the planning process (Chapter 1)
- ◆ A summary of the market considerations of the site including the economic feasibility of different land uses (Chapter 2)
- ◆ A discussion of other site development considerations such as physical, regulatory and policy constraints (Chapter 3)
- ◆ An overview of the four development alternatives proposed for the GDA (Chapter 4)

A forthcoming consultant product will present a more detailed qualitative and quantitative analysis of the development alternatives based on the economic, environmental and social equity criteria highlighted earlier in this report. This future analysis will allow policymakers to compare alternatives across a number of variables and understand the advantages and disadvantages of each alternative relative to one another. The criteria are linked to key goals and objectives for the GDA and the City of Oakland as a whole, as articulated by city policymakers and through interviews with other stakeholders. For example, the analysis will help answer questions such as:

- ◆ How many jobs will each alternative generate per acre? How many living wage jobs will be generated by each alternative? Do the alternatives create opportunities for local hiring?
- ◆ How much sales tax and property tax will be generated from each alternative?
- ◆ Will the market support each alternative in both the short-term (through 2010) and the long-term (after 2010)?
- ◆ Will a public subsidy be required for each alternative to prepare and market the site to potential developers?
- ◆ To what extent does each alternative minimize environmental and transportation impacts in the surrounding area?

This analysis will be finalized during the next month and will then be incorporated into the final version of the consultant report.

KEY ISSUES AND IMPACTS

There are several important issues to consider during review of options for the Base:

- 1) *Market Research shows that the Agency may pursue several options for Base development.*

In addition to the land use alternatives highlighted here, there is also the possibility of creating other scenarios by “repackaging” land uses based on the evaluation criteria. For example, if the Agency wishes to maximize a certain benefit (i.e., employment generation), it may customize an alternative by devoting more land acreage to activities ranked high in that particular benefit

- 2) *A key factor will be to what extent the Agency wishes to devote GDA property to Port-supportive uses.*

Each alternative devotes some acreage to Port-supportive activities; however the alternatives reflect a range of options for accommodating Port-related activities. An Agency determination on the role of the Base vis-à-vis Port operations will guide the selection of GDA alternatives.

- 3) *Coordination with the Port is an important element of any redevelopment strategy of the Army Base lands.*

Port operations will exist to the east and south of the GDA thus coordination in Agency-Port OARB development schedules will be key as both entities obtain title to their respective development areas in August 2006. Port representatives have indicated that they are re-evaluating their maritime development program for their portion of the OARB. Staff is continuing to work with Port representatives to resolve outstanding OARB issues; however, the absence of some definitive information from the Port has occasionally resulted in staff having to delay bringing closure to items that directly impact GDA development. Staff believes it is important to continue to work through issues, however, there is the potential for GDA actions to be delayed and opportunities missed in the course of continuing extensive Port negotiations beyond a certain point.

- 4) *Timing is an issue: When does the Agency wish to initiate OARB development?*

The intent of this staff report is to provide the Agency with an overview of the development options; staff is not requesting action at this point. However, if the Agency wishes to begin development upon receipt of title in August 2006, then staff requests that Agency direction regarding preferred development scenarios be issued when it reconvenes in Fall 2005; this would allow approximately eleven months (October 2005 – August 2006) to develop an overall strategy and framework and potentially decide the type and number of project sponsors that the Agency wishes to work with in this effort. As a reminder, the Agency selected a master developer in 1999, but later ceased negotiations and extended that firm the “first right to submit a proposal” once the Agency determined that it had obtained sufficient site control. During the next year, the Agency must address any issues relating to this developer before it formally initiates any new developer selection process.

- 5) *Environmental Impact Report considerations must be addressed*

An Environmental Impact Report (EIR) that examined the potential environmental impacts of the approved Final Reuse Plan was certified in July 2002. Some of the land use activities in the four alternatives described in this staff report (e.g., warehouse, distribution, research and development) are similar to those analyzed in the EIR. Other possible land uses were not assessed as a part of the 2002 EIR. In addition, a more detailed environmental review will likely be required given changes in circumstances that have occurred since 2002, including the approval of the Wood Street Project. The timing of any further environmental review and documentation needs to be factored into the Agency’s preferred development schedule for the project.

CONCLUSION

An effort has been undertaken to build upon, refine and further specify the recommendations of the 2002 OARB Final Reuse Plan. Specifically, this effort evaluates the land uses in the Reuse Plan as well as other development proposals that have been brought to the Agency over the past few years from a comprehensive land use economic and market feasibility approach. It then presents those land uses that have strong market feasibility in a series of illustrative development plans for the site. The findings can be used by the Agency in specific instances such as facilitating initiation of a Master Developer solicitation, or for more general applications such as providing a template or baseline against which any future development proposals are evaluated.

SUSTAINABLE OPPORTUNITIES

Economic

There are no economic opportunities that apply to consideration of the findings of the OARB analysis. However, local employment and community economic benefits are issues that can be addressed once a final development direction has been determined.

Environmental

There are no sustainable environmental opportunities that apply to this particular action. Sustainable issues would be addressed as the specific development activities are defined for the Base.

Social Equity

There are no social equity opportunities that apply to this particular action. Social equity issues would be addressed once a final development direction has been determined.

DISABILITY AND SENIOR CITIZEN ACCESS

This report does not include the approval of any specific projects or programs. Disability and senior access issues will be addressed when specific development plans are submitted to the City by the developer for review and approval.

RECOMMENDATION AND RATIONALE

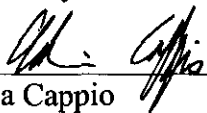
Staff recommends that the Agency consider the findings of this consultant status report on the land use, economic, market feasibility and site planning evaluation of the Base, in order to

prepare the Agency for issuing a development direction for staff to pursue in Fall, 2005, and give staff any comments and direction including the need for any additional information and analysis prior to finalization of the report

ACTION REQUESTED OF THE AGENCY

Staff recommends that the Agency consider the findings of this consultant status report and give staff any comments and direction including the need for any additional information and analysis prior to finalization of the report.

Respectfully submitted,



Claudia Cappio
Director of Planning, Building Services, Major
Projects and OBRA

Prepared by:
Aliza Gallo, Executive Director
Oakland Base Reuse Authority

APPROVED AND FORWARDED TO THE
COMMUNITY AND ECONOMIC
DEVELOPMENT COMMITTEE:



OFFICE OF THE AGENCY ADMINISTRATOR

Attachments:

1. Land Use Activity Definitions
2. Evaluation Criteria Definitions
3. Preliminary Evaluation Matrix
4. Gateway Development Area Map
5. Eco-Oakland Alternative
6. Destination Oakland Alternative
7. Gateway Oakland Alternative
8. Movie Production Park Alternative
9. Oakland Army Base Consultant Report: Predevelopment Planning for the Oakland Army Base Gateway Development Area

Oakland Army Base Analysis: Land Use Activity Definitions

Warehousing, Distribution, and Trucking Services (including Maritime-Related)

This first group of uses incorporates much of the maritime-related uses that have been considered for incorporation into the development alternatives, along with several other warehouse and distribution uses that may not meet maritime-related requirements.

General Warehousing and Distribution

This use provides the most basic type of structure, but can often incorporate very expensive interior equipment to store and access items. The typical newly-constructed warehouse is a tilt up building, with easy truck and / or rail access (or port adjacency). It can serve general Port-related transportation shipping and warehousing needs, as well as for more general warehousing and distribution. This category would qualify as an Ancillary Maritime Service required by BCDC.

Wholesale Food Distribution and Warehousing

At the present time, the City of Oakland is seeking a location to house the Terminal Market, a historic produce market, near Jack London Square. The market is a wholesale food distribution facility, consisting of multiple food wholesalers selling primarily fresh produce items, distributing to area grocery stores and restaurants. While not currently configured as a warehouse complex in the contemporary sense, the Terminal Market functions in much the same way, with needs for access to freeways and truck loading capabilities. This use is not likely to be considered as a maritime ancillary use.

Ancillary Maritime: Support and Depots

This use includes both storage and parking of trucks, trailers and tractors, as well as storage of shipping containers. It requires paved open space in proximity to port operations, with few or no building improvements. This category would qualify as an Ancillary Maritime Service required by BCDC.

Truck Plaza and Truck Services

This land use category is a contemporary version of an enlarged “truck stop,” featuring multiple uses configured together to serve long-distance truckers. As the historic truck stop has become scarcer due to rising land values in urban areas, and trucking has also grown rapidly as a common transport method of goods, the need to provide truck stop services has not been well-met. The Truck Plaza/Truck Services use would include land uses such as overnight lodging, several restaurants of various price points and menus, truck fueling stations, truck washing stations, and mechanical services. The Truck Plaza could also include trucking / logistics supervisory office space, and related industrial uses.

Light Industrial/Flex-Office

General Light Industrial/Flex-Office

This land use is typically a one to two-story basic shell buildings, finished to accommodate a mix of improved office, light industrial, and “flex” uses. This type of space can usually accommodate a range of users ranging from assembly, shipping, e-commerce, import/export, back office, and often limited retail uses. A typical building can either be occupied by a single user, or multiple smaller users. The product typically has one or more roll up doors per user, and often includes full loading docks for the larger

industrial users requiring easy on- and off- loading for large trailers.

Research & Development

This space is often a higher quality version of light industrial/flex-office, but can also be developed as more finished multi-level buildings. R & D space can house a range of hardware, software, or bio-science activities. Depending on the user, this type of space often requires unique tenant improvements such as wet labs (for bio-science research), or high speed broadband services. A substantial amount of the built space in Emeryville falls into this category.

Industrial or Flex Space Condominiums

A growing type of space, the flex condominium offers an ownership opportunity to the smaller business, instead of a lease situation. Several development companies have recently adopted a niche marketing and development strategy in the Bay Area, to build and sell these types of units. Typically, SBA financing can be used to assist the small business purchaser, offering favorable loan terms and as little as 10% downpayment.

Eco-Industrial Park

This category of industrial use is a concept that accommodates recycled building materials (e.g., from deconstructed buildings and infrastructure), as well as promotes other ecologically-oriented businesses. The concept can also incorporate “green” building into its design and offer an incubator concept to smaller or start-up businesses in “green” industries. An advanced form of this concept not only houses green industries and is constructed according to green building principles, but seeks to connect the reuse of waste from one occupant as the business inputs of another occupant, creating a recycled waste stream on-site. For example, if a manufacturer of recycled wood products had unusable nails as a waste product, the concept would seek to attract a user of this metal product to co-locate in the same industrial park setting.

West Oakland Industrial/Recycling Businesses

The City of Oakland and the West Oakland community have been focused for some time on the possible need to relocate existing West Oakland industrial and/or recycling businesses as the neighborhood redevelops into a more mixed-use and residential area. These uses would be similar to other uses in this category, but may not be able to afford market rents.

Media Center: Film/Computer Effects Production Facilities

General Film or Computer Effects Production Facility

This use encompasses a broad range of occupants, ranging from traditional film sound stages to computer-oriented special effects developers. The Bay Area is home to several permanent film production facilities, numerous temporary production facilities/sound stages (in other former military base buildings), and several global leaders in the special effects category (e.g., LucasFilm and Pixar). This use category can also be complemented with economic development initiatives such as incubator space to start-up computer graphics companies.

Production Facility with Entertainment-Themed Amusement Park.

The City of Oakland has been approached by one user with a concept which has a limited amount of production facility, paired with a more entertainment-oriented themed amusement park. The DC&E team will also assess the amusement park concept.

Automobile Retailers

Traditional Automobile Mall

The City of Oakland has separately commissioned an initial study of “test fit” for a portion of the Oakland Army Base, to determine how many traditional auto dealers could be relocated from the Broadway Auto Row and grouped together at this new location in a “mall” configuration. The DC&E team will supplement this work with a market analysis of such an auto mall.

Alternative Automobile Mall Scenarios

Auto malls, traditionally more of a suburban land use concept, place multiple dealers adjacent to each other to encourage “one stop” shopping for new and used cars, and can also include after-market parts and services (beyond dealership services). In more urban, land-constrained locations, the concept has also been developed to include multi-level buildings and joint services facilities such as automobile inventory in a parking structure. The DC&E team will study this type of alternative to more traditional auto malls.

Retail

Big Box Retail

This type of use, typically ranging from 100,000 to nearly 200,000 per store, includes retailers such as Target/SuperTarget, Walmart, Costco, Best Buy, and Ikea. For the OARB, a Costco proposal has been made and will likely be incorporated into some of the reuse scenarios. The DC&E team will therefore evaluate the market for this and other big box uses.

Town Center/Lifestyle Retail

This subcategory, exemplified by the nearby Bay Street Center, is an evolving concept of “lifestyle” retail (e.g., branded retailers offering specialty clothing, shoes, furniture, restaurants, and services). Many lifestyle centers are anchored by a large movie theater complex and/or large food court/restaurant attraction with a typical size from 300,000 to 500,000 square feet. In other cases, the emphasis is on value-oriented retailers in an open-air setting, creating a town center quality from among a collection of big box stores and smaller retailers (e.g. McCarthy Ranch in Milpitas or Oaks Shopping Center in Novato).

Outlet Mall

One of the popular types of large shopping centers developed throughout California in the past decade or so is the outlet mall, typically a 500,000-to 1 million square-foot or more facility offering name-brand merchandise at discounted prices.

A hybrid of the Outlet Mall concept has been successfully developed by corporations such as Mills, offering a mix of outlet and more traditional mall retailing, along with movie theaters and large food courts. These types of centers require substantial freeway visibility and easy automobile access, as well as an extremely strong “traffic count” passing by.

Hotel / Lodging

There are a range of hotel and lodging products with strong success, including luxury hotels, spa hotels, boutique hotels, mid-price facilities, budget facilities, and extended stay products. The DC&E team will

include these concepts to test their potential for the water-view portion of the OARB located near the Bay Bridge toll plaza/shoreline park.

Luxury Hotel

A luxury hotel would likely be a tower structure for a name brand hotelier such as Hyatt or Westin. It would also include a conference center facility.

Mid-Price Hotel

A mid-price hotel would typically be four to five stories, such as a typical Ramada Hotel. It would include limited conference facilities.

Budget Motel

Budget motels would include one to two story buildings, for operators such as Holiday Inn Express or Motel 6.

Extended Stay Hotel

Extended stay hotels allow for longer stays, often up to a month, similar to the Extended Stay America hotel that exists at the East Baybridge Center on the Oakland/Emeryville border.

Fractional or Club Resort

One of the burgeoning types of hotel development is the “fractional” or “club” concept, which taps into the growing vacation or second home market.

Housing

While the OARB Reuse Plan did not envision housing, the East Bay housing market is exceptionally strong at present, and may justify increased clean-up and site prep costs associated with this use on portions of OARB. The DC&E team will focus on multifamily for-sale products, including condominiums and lofts, in keeping with the development of similar products throughout the West Oakland neighborhood and Emeryville. These products have the added flexibility of mixing well in a mixed-use setting, complementing uses such as retail. The DC&E team will focus on two types of for-sale housing, as described below.

High-Rise Housing

Given the water views from the site, high-rise housing could be a viable housing product for the site.

Mid-Rise Housing

The team will also study a mid-rise housing type of four to five stories with townhouses or stacked condominiums in a garden setting.

Evaluation Criteria

The preceding potential OARB land uses were evaluated against a set of criteria developed by the consultant team, based on input from OBRA and City of Oakland staff and elected officials. In order to provide a systematic framework and enable a perspective that balances competing goals for the site, the evaluation criteria were organized according to the three "E's", a system of evaluating sustainable land uses used by numerous Bay Area cities and regional organizations. The "E's" refer to the concepts of sustainability as applied to Economics, Equity, and Environment. The criteria are described below. A matrix showing the evaluation of each land use described above is presented in the Evaluation Matrix.

1. Definition of Economic Criteria

a. *Total Employment Per Acre*

- High: 20 or more jobs/acre
- Medium: Between 10 and 19 jobs/acre
- Low: Fewer than 9 jobs/acre

b. *New Jobs Per Acre*

(Excluding existing jobs shifted from other locations in Oakland)

- High: 20 or more new jobs per acre
- Medium: Between 10 and 19 new jobs per acre
- Low: Fewer than 9 new jobs per acre

c. *Sales Tax Revenue Per Acre*

- High: Sales tax generated from use over \$10,000 annually per acre
- Medium: Sales tax generated from use up to \$10,000/acre annually per acre
- Low: Little or no sales tax generated

d. *Property Tax Revenue Per Acre*

- High: Generates over \$20,000 per acre annually (at 1% tax rate)
- Medium: Generates up to \$20,000/acre in property tax annually
- Low: Little or no property tax generated

e. *Short-Term Market Support (2005 - 2010)*

- High: Strong market support and developer interest
- Medium: Moderate or uncertain market support and developer interest
- Low: Little or no known market support or expected developer interest

f. *Long-Term Market Support (After 2010)*

- High: Strong market support and developer interest

Medium: Moderate or uncertain market support and developer interest
Low: Little or no known market support or expected developer interest

g. Residual Land Value

High: Use typically creates over \$20 per square foot of land value
Medium: Use typically creates between \$5 and \$20 per square foot of land value
Low: Use typically creates less than \$5 per square foot of land value

h. Likely Developer Interest in RFP

High: Known or identifiable developer interest
Medium: Developers expected to respond to RFQ/RFP with sufficient outreach
Low: Little developer interest, or developer pool is very limited for this use

i. No Subsidy Needed

High: No subsidy need should be expected
Medium: Subsidy may be needed to prepare site
Low: Subsidy likely required to prepare site or achieve economic development goals

2. Definition of Equity Criteria

a. Living Wage Job Per Acre

High: 20 or more jobs/acre
Medium: Between 10 and 19 jobs/acre
Low: Fewer than 9 jobs/acre

b. Inclusion in the New Economy

High: Provides strong career ladders and opportunities for local hiring
Medium: Provides limited career ladders or opportunities for local hiring
Low: Provides no opportunities for local hiring

c. Known Community Support

(Known or assumed support for the use on the site)

High: An overall high level of community support from West Oakland residents, businesses or stakeholder groups.
Medium: Some degree of support, or mixed support, from West Oakland residents, businesses or stakeholder groups.
Low: General lack of support in West Oakland for the uses.

- d. *Contributes to Placemaking*
- High: Use creates a regional destination at the site with a distinct and unique sense of place or has a use/tenant that has a distinct identity.
- Medium: Creates a destination/identity for Oakland and nearby residents.
- Low: Does not create a unique identity or destination.
- e. *Supports Other Citywide Economic Development Goals*
(may make land available for redevelopment elsewhere to achieve goals)
- High: Creates substantial economic development opportunities elsewhere in City
- Medium: Creates limited economic development opportunities elsewhere in City
- Low: Does not create opportunities elsewhere

3. **Definition of Environmental Criteria**

- a. *Land Use Compatibility: West Oakland*
- High: Use is highly compatible (i.e., supports existing uses and does not degrade the quality of life or economic vitality) with West Oakland's residential uses, including plans for the Wood Street development.
- Medium: Use is somewhat compatible with West Oakland residential uses.
- Low: Use is incompatible with West Oakland's residential uses and/or would require a large degree of buffering and mitigation measures to ensure compatibility.
- b. *Land Use Compatibility: Port Uses*
- High: Use is compatible with and supports Port of Oakland operations.
- Medium: Use is generally compatible with Port operations, but does not directly support the Port. Limited buffering and/or mitigation measures would be required.
- Low: Use is not compatible with, nor does it support, Port of Oakland operations
- c. *Minimizes Environmental Impacts*
- High: Use would have no significant environmental impacts or would reduce existing environmental impacts in the surrounding area, particularly West Oakland.
- Medium: Use would have some environmental impacts.
- Low: Use would have many environmental impacts, especially for West Oakland residents.

d. Minimizes Transportation Impacts

(Impacts on local roadways - congestion or safety)

High: Use would have no significant transportation impacts in West Oakland or on regional roadways.

Medium: Use would have some impacts on local roadways.

Low: Use would have significant impacts on local and regional roadways.

e. Enhances Gateway

High: Use would highly enhance the entryway into Oakland, as seen from the freeways, Bay Bridge or from the main entries to the site (such as West Grand Avenue or 7th Street).

Medium: Neutral entry to Oakland that improves the visual quality compared to Port uses.

Low: Use is equal to the existing uses on the site in terms of an attractive gateway.

f. Minimal Administrative/Regulatory Steps

(Steps needed to locate the use on the site)

High: Few regulatory changes would need to occur to implement the use.

Medium: Minor regulatory changes would be required to implement use.

Low: Many regulatory changes would need to occur, such as a zoning change, General Plan amendment, or extensive environmental review/cleanup.

Preliminary Evaluation Matrix: OARB

Key:
 High = ●
 Medium = ◐
 Low = ○

	Economics								Equity					Environment						
	Total Employment/ Acre	New Oakland Jobs	Sales Tax Revenue	Property Tax Revenue	Short-Term Market Support (< 2010)	Long-Term Market Support (> 2010)	Residual Land Value	Likely Developer Interest	Subsidy Needed	Living Wage Jobs/Acre	Inclusion in The New Economy	Known Community Support	Placemaking "Value"	Supports Citywide Ec Dev Goals	Land Use Compatibility - W. Oak	Land Use Compatibility - Port	Transportation Impacts	Environmental Impacts	Enhances Gateway	Administrative/Regulatory Steps
Light Industrial/Flex-Office																				
Office	◐	◐	○	◐	○	●	◐	◐	●	○	○	◐	◐	○	○	○	○	○	○	○
General Light Industrial/Flex	◐	◐	○	◐	●	◐	◐	◐	○	○	○	○	○	○	○	○	○	○	○	○
Research & Development	●	●	○	◐	○	●	◐	◐	○	○	○	○	○	○	○	○	○	○	○	○
Industrial / Flex Space Condominiums	●	●	○	◐	●	●	◐	◐	○	○	○	○	○	○	○	○	○	○	○	○
Industrial/Warehouse & Trucking Services																				
General Warehousing and Distribution	○	○	○	◐	●	●	○	●	○	○	○	○	○	○	○	○	○	○	○	○
Wholesale Food Distribution and Warehousing	◐	○	○	◐	●	●	○	●	○	○	○	○	○	○	○	○	○	○	○	○
Ancillary Maritime Support: Services & Depots	○	○	○	◐	●	●	○	●	○	○	○	○	○	○	○	○	○	○	○	○
Truck Plaza and Truck Services	○	○	●	◐	●	●	◐	●	○	○	○	○	○	○	○	○	○	○	○	○
Eco-Industrial Park	◐	◐	◐	○	○	◐	○	○	○	○	○	○	○	○	○	○	○	○	○	○
West Oakland Industrial/Recycling Businesses	○	○	◐	○	◐	●	○	◐	○	○	○	○	○	○	○	○	○	○	○	○
Media Center: Film/Computer Effects Production Facilities																				
General Film or Computer Effects Production Facility	◐	◐	○	●	◐	◐	○	○	○	○	○	○	○	○	○	○	○	○	○	○
Production Facility & Entertainment Amusement Park.	●	●	●	●	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○
Automobile Retailers																				
NUMMI Hybrid Auto Production	●	●	◐	◐	○	◐	○	○	○	○	○	○	○	○	○	○	○	○	○	○
Traditional Automobile Mall	◐	○	●	◐	●	●	○	◐	○	○	○	○	○	○	○	○	○	○	○	○
Alternative Automobile Mall - Hybrid Car Emphasis	◐	◐	●	◐	◐	◐	○	◐	○	○	○	○	○	○	○	○	○	○	○	○
(continued)																				

Preliminary Evaluation Matrix: OARB

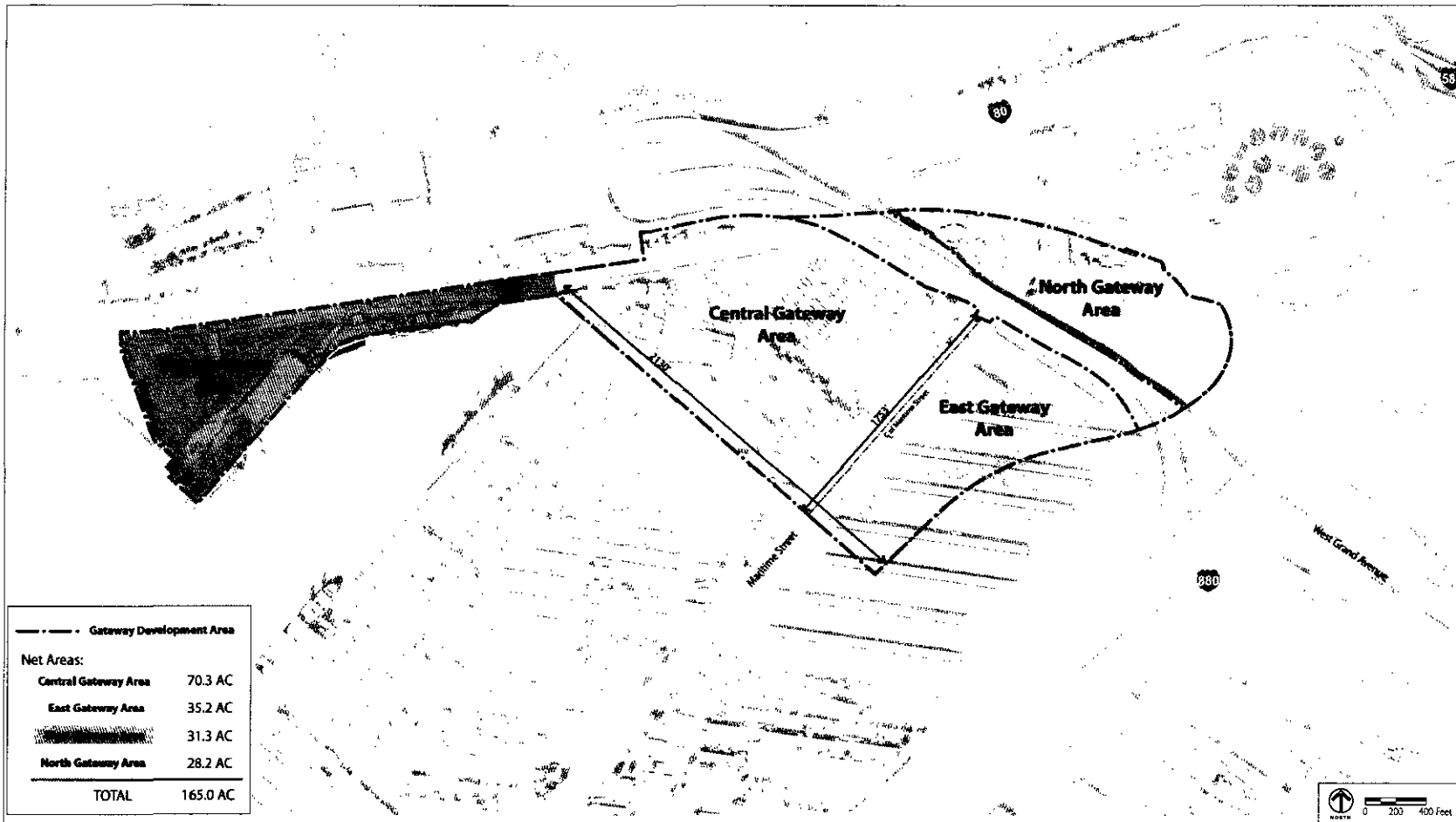
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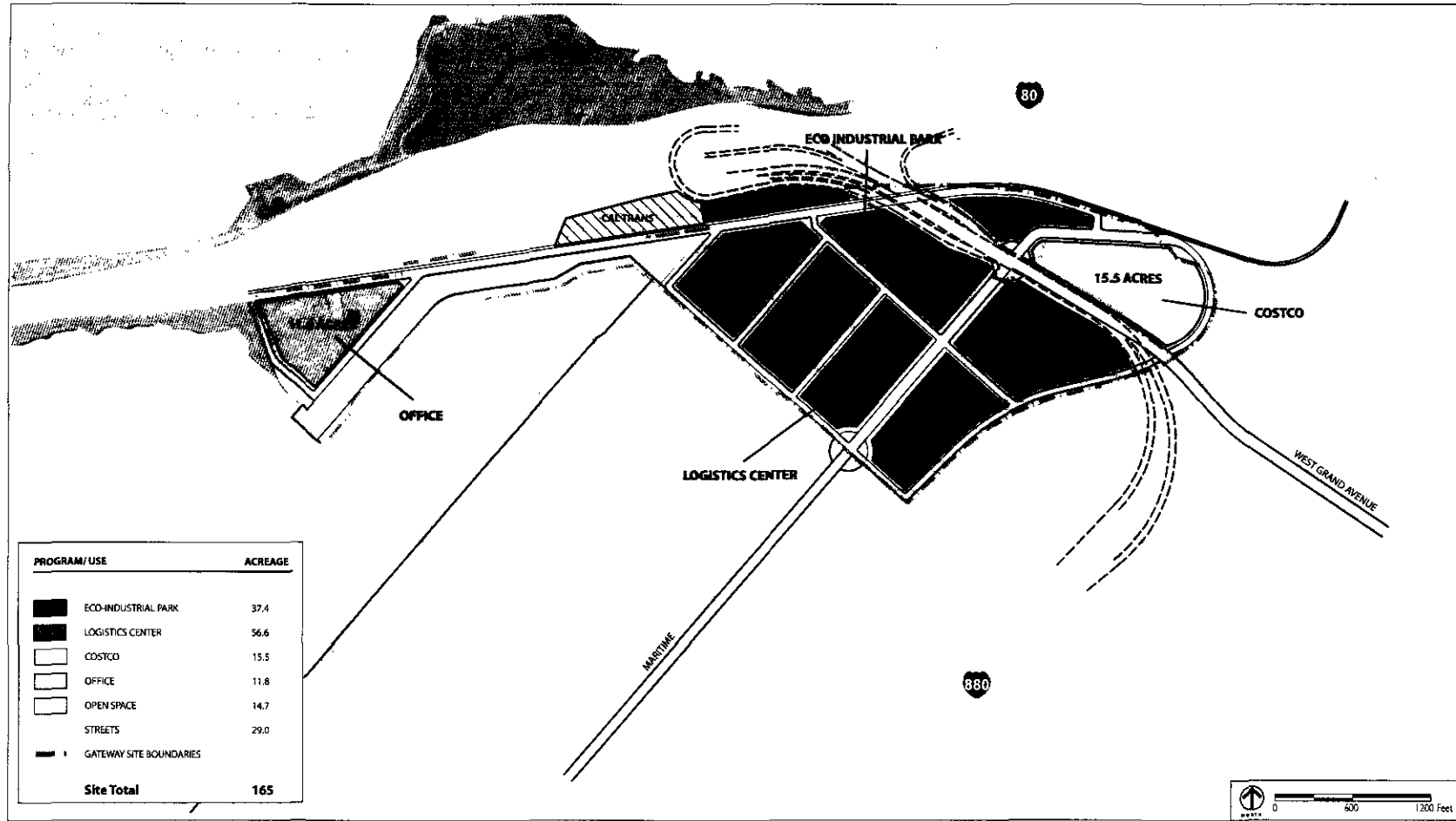
Economics

Equity

Environment

	Total Employment/ Acre	New Oakland Jobs	Sales Tax Revenue	Property Tax Revenue	Short-Term Market Support (< 2010)	Long-Term Market Support (> 2010)	Residual Land Value	Likely Developer Interest	Subsidy Needed	Living Wage Jobs/Acre	Inclusion in The New Economy	Known Community Support	Placemaking "Value"	Supports Citywide Ec Dev Goals	Land Use Compatibility - W. Oak	Land Use Compatibility - Port	Transportation Impacts	Environmental Impacts	Enhances Gateway	Administrative/Regulatory Steps
Retail																				
Big Box Retail	○	○	●	◐	●	●	◐	●	◐	○	○	◐	◐	◐	●	●	○	◐	○	◐
Town Center/Lifestyle Retail	●	●	●	◐	◐	●	◐	◐	◐	○	○	●	●	○	○	○	◐	●	●	◐
Outlet Mall	●	◐	●	◐	◐	◐	◐	●	◐	○	○	●	●	○	○	○	◐	●	●	◐
Hotel / Lodging																				
Luxury Hotel	●	●	○	●	○	●	◐	◐	◐	●	○	●	◐	○	●	○	○	●	●	○
Mid-Price Hotel	◐	◐	○	●	○	◐	◐	◐	◐	○	○	●	◐	○	○	○	●	◐	◐	○
Budget Motel	◐	◐	○	◐	○	◐	◐	◐	◐	○	○	○	◐	○	○	○	●	○	○	○
Extended Stay Hotel	◐	◐	○	◐	○	◐	◐	◐	◐	○	○	○	◐	○	○	○	●	○	○	○
Fractional or Club Resort	◐	◐	○	●	○	●	●	◐	◐	○	○	●	◐	○	○	○	●	◐	○	○
Housing																				
High-Rise Housing	○	○	○	●	●	●	●	●	○	○	○	◐	○	○	●	○	○	●	●	○
Mid-Rise Housing	○	○	○	●	●	●	●	●	○	○	○	◐	○	○	●	○	○	●	◐	○





Pre-Development Planning for the Oakland Army Base Gateway Development Area. Interim Final Report
Oakland Base Reuse Authority

FIGURE 4-1
ECO-OAKLAND: LAND USE

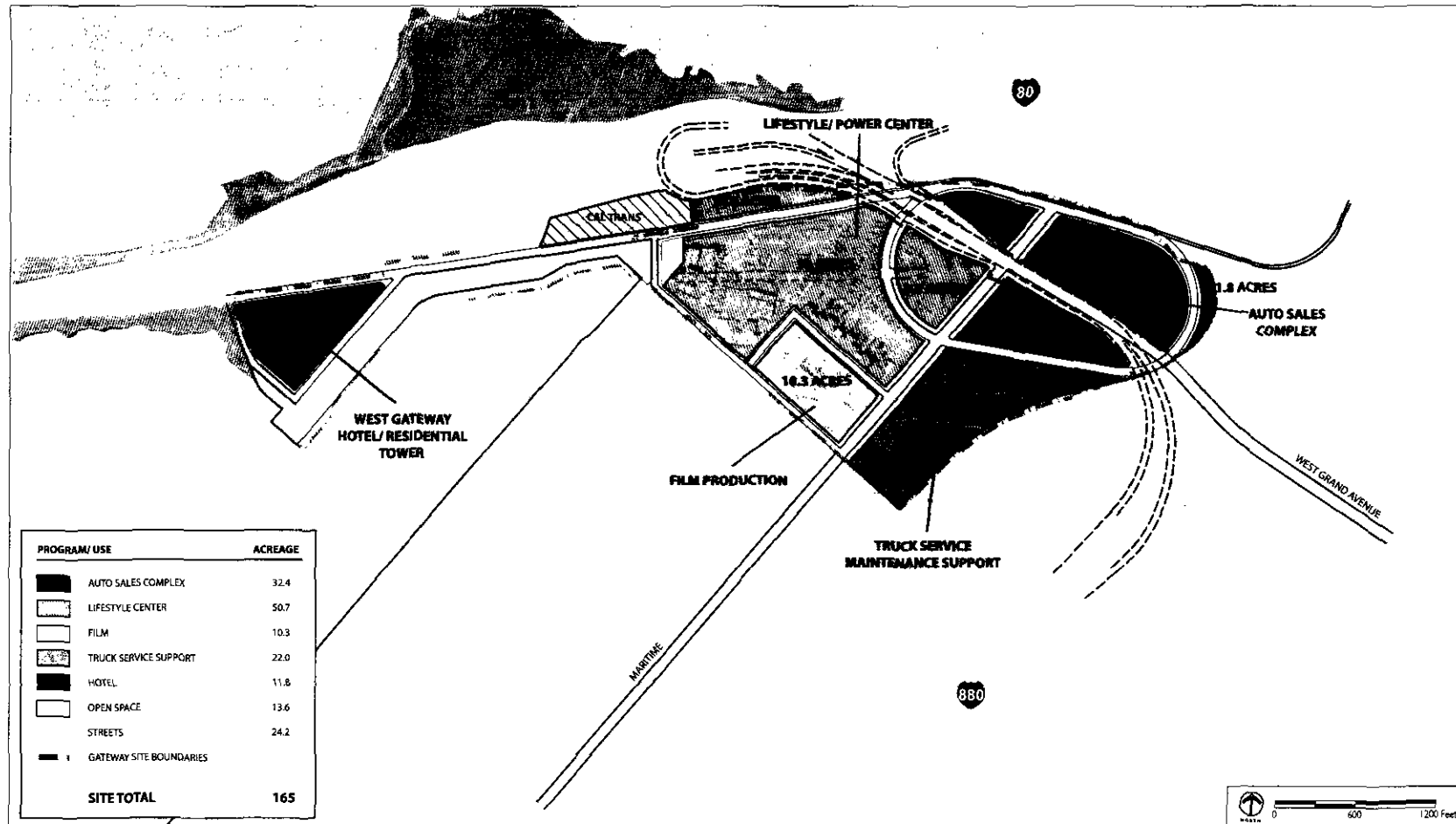
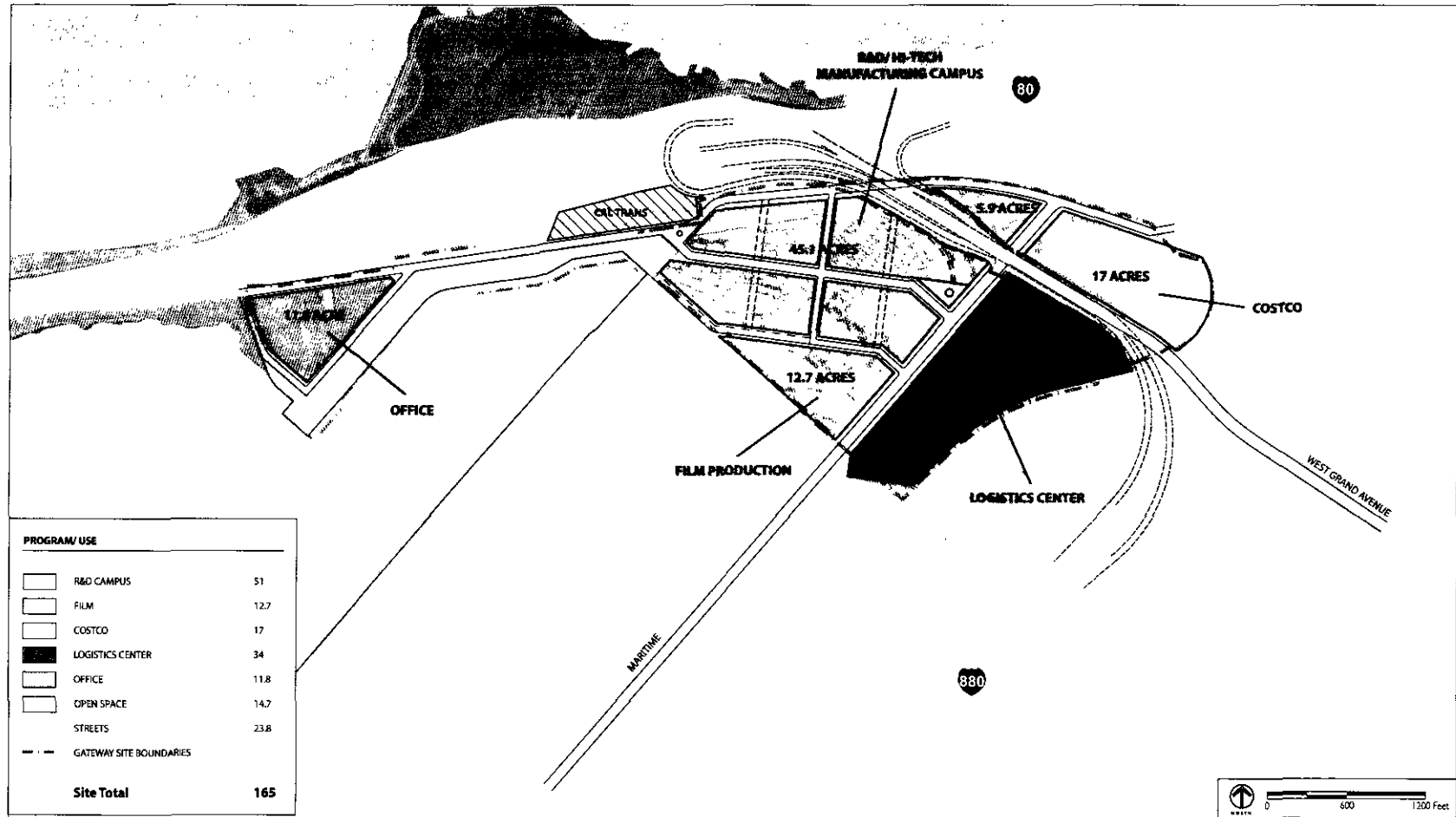
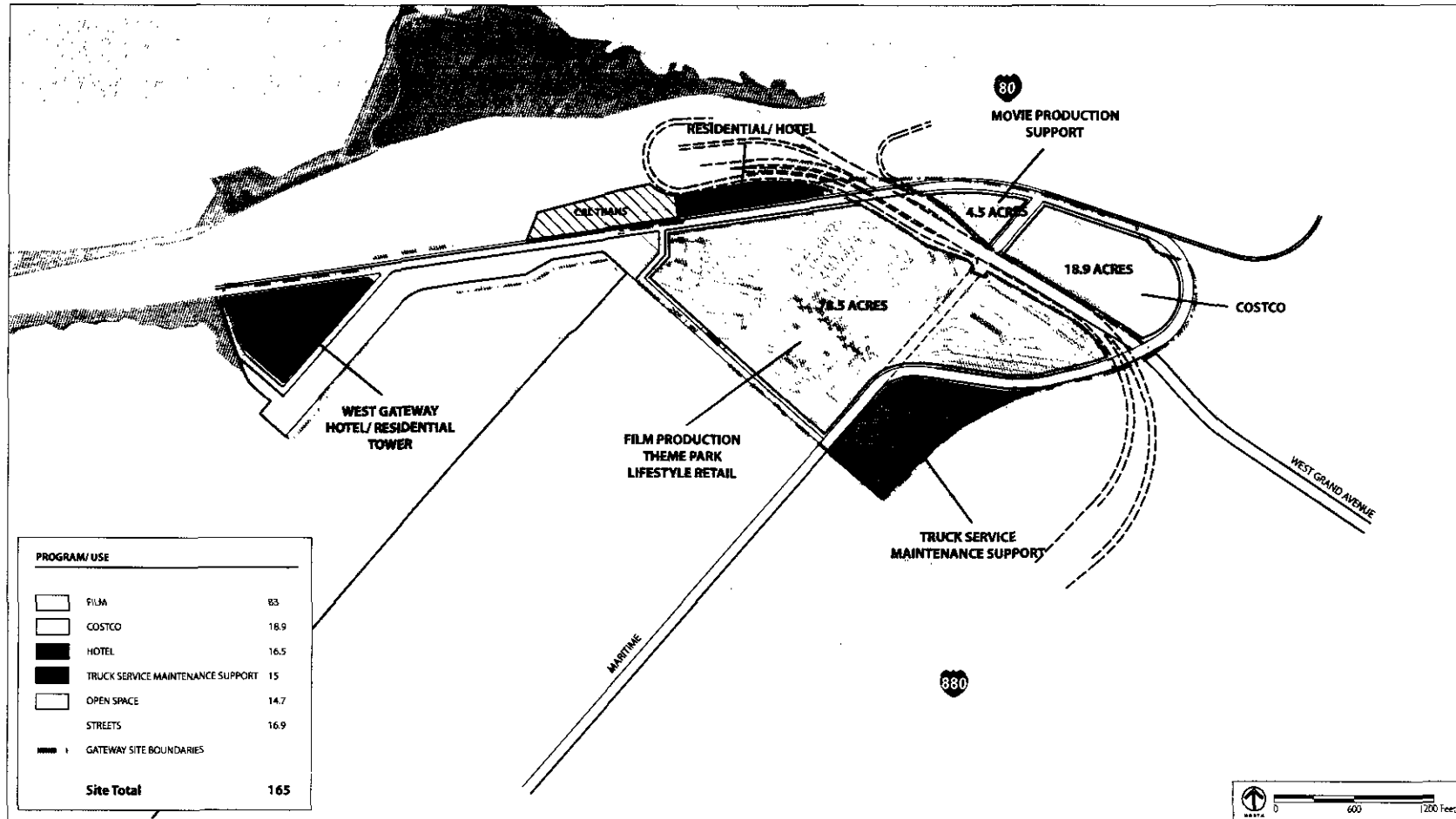


FIGURE 4-4
 DESTINATION OAKLAND: LAND USE





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FIRE DEVELOPMENT PLANNING FOR THE
OAKLAND ARMY BASE GATEWAY DEVELOPMENT AREA

INTERIM FINAL REPORT



Oakland Base Reuse Authority | June 2005



DESIGN, COMMUNITY & ENVIRONMENT

PRE-DEVELOPMENT PLANNING FOR THE
OAKLAND ARMY BASE GATEWAY DEVELOPMENT AREA

INTERIM FINAL REPORT

Oakland Base Reuse Authority | June 2005

D
C
E

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located in the northwest corner of the city of Oakland and at the foot of the San Francisco-Oakland Bay Bridge, the Gateway Development Area (GDA) of the Oakland Army Base (OARB or Army Base) provides the City with approximately 165 acres of land that will be available for development beginning in August of 2006. As described in more detail in Chapter 3, the GDA consists of four subareas: North (28 acres), East (35 acres), Central (70 acres) and West (31 acres).

Given its size, location and visibility, the GDA affords the Oakland Redevelopment Agency (Agency) with a tremendous opportunity to achieve a variety of economic and social benefits for the City. Planning for the future of this site should respect the tremendous potential of the site and acknowledge that acquiring such a large property is a unique opportunity for the City.

In preparation for the Agency to assume ownership of the site in August 2006, the Oakland Base Reuse Authority (OBRA), the recognized Local Reuse Authority, undertook a pre-development planning process to create a refined list of potential uses for the site, develop alternative site plans to assist the Agency in defining its property disposition program, and begin a developer solicitation process. In March of



Aerial view of the Oakland Army Base.

2005, OBRA hired a consultant team led by Design, Community & Environment (DC&E) to assist with the planning process. DC&E is supported by Bay Area Economics for economic, market and fiscal analysis and SMWM for site design.

This document provides a summary of the majority of the work completed by the project team. The effort included conducting a dozen stakeholder interviews, preparing a market scan of 25 potential uses for the site, drafting a detailed opportunities and constraints report, and developing and analyzing four site alternatives.

The information in this document can serve many purposes: it can provide the

OBRA Governing Body and the Agency with the background information necessary to select a preferred alternative or alternatives for the site, to use as a template or baseline for evaluating other alternatives, and/or to initiate a developer solicitation. The report includes background information on the site and the planning process (Chapter 1), a summary of the market considerations of the site (Chapter 2), a discussion of other site development considerations (Chapter 3) and an overview of the four development alternatives (Chapter 4). A forthcoming section of the report will present a detailed analysis of the site alternatives based on economic, environmental and social equity criteria and recommendations regarding the steps necessary to implement the alternatives.

A. Site and Project History

The OARB was recommended for closure by the Defense Base Closure and Realignment (BRAC) Commission in June 1995 and officially closed for military operations in September 1999. Since the Base was recommended for closure, OBRA has undertaken numerous planning processes that culminated in the *Final Reuse Plan* for the Oakland Army Base, adopted on July 31, 2002. The *Final Reuse Plan* presents a conceptual vision for the site and a broad policy framework for the site's development. It presents a menu of acceptable land uses that were to be further refined based on market conditions and demands at the time the Army Base was ready to be

developed. In anticipation of the August 2006 transfer of the Army Base to the Agency, this current document begins that refining process called for in the *Final Reuse Plan*.

As a result of the planning process and negotiations, 70 acres of the former Army Base has been conveyed to the Port of Oakland and another 150 acres will be conveyed in August 2006 to complete the Port Development Area. The remaining land will be conveyed to the Agency and will be called the Gateway Development Area (GDA).

This pre-development planning project is for the GDA portion of the former OARB. It builds upon from past efforts by evaluating the development options that have been brought to the Agency over the past few years from a comprehensive economic/market feasibility approach. Then those options that have strong market feasibility have been presented in a series of development plans to illustrate a particular concept or theme.

While the Port of Oakland is responsible for the planning and development process for its portion of the former Army Base property, it is recognized that the Agency and the Port will need to work together regarding compatibility of adjacent land uses, complimentary circulation routes and infrastructure coordination. The alternatives that have resulted from this planning process have taken these issues into consideration.

B. Site Location

As shown in Figure 1-1, the GDA lies within the city of Oakland, approximately two miles from downtown Oakland and approximately 6.5 miles from downtown San Francisco. The site is located on the Oakland waterfront adjacent to the East Bay terminus of the Bay Bridge, which forms part of its northern border. A 50-acre East Bay Municipal Utility District sewage treatment plant also lies to the north of the site. The Port of Oakland abuts the GDA on the south and east. The GDA sits at a transportation hub created by two nearby Interstate freeways (I-80 and I-880) and major maritime, rail and truck activity. The community of West Oakland lies to the east of the railroad tracks and the I-880 freeway. Amtrak passenger service and the Bay Area Rapid Transit (BART) system have stations in close proximity to the Base.

C. The Pre-Development Planning Process

The pre-development planning process began in March 2005 with the selection of the DC&E-led consultant team. The project team conducted more than a dozen stakeholder and key staff interviews. The stakeholders interviewed included: Mayor Jerry Brown and Council President/OBRA Chairperson Ignacio De La Fuente and their respective alternates on the OBRA Governing Body; Councilmember Nancy Nadel; the West

Oakland Economic Development Working Group (WOEDWG); the West Oakland Community Advisory Group (WOCAG); the West Oakland Commerce Association (WOCA); the Port of Oakland; the Chamber of Commerce; the OBRA Executive Director and staff; the Co-Directors of the Community and Economic Development Agency; and other City staff. During these interviews, questions were asked about the vision for the site, the range of potential uses and the evaluation criteria that should be used to compare alternative site development programs.

Several key findings came out of the stakeholder interviews. First, there are competing views of how the site should be developed. Some stakeholders want to develop the site to directly improve Oakland's fiscal and economic situation while others are more concerned about improving the quality of existing residential areas or helping to expand an undeveloped or underutilized portion of Oakland's economy.

Second, there was a lot of interest in moving industrial uses out of residential areas of the city, especially the West Oakland neighborhood. Two types of industries specifically mentioned were recycling businesses and trucking support businesses. However, other areas of Oakland were identified as also experiencing issues with heavy industrial uses that were incompatible with planned or desired redevelopment activities. Additionally, the conversion of

industrial property and the continued demand for industrial uses was raised.

Third, the meeting with the Port of Oakland indicated that the Port's current land holdings (1,000 acres) are sufficient to carry out its future maritime development program, including its planned Joint Intermodal Terminal. The Port also recommended that a modern logistics center as part of the Gateway Development Area is a viable development opportunity for the City as well as beneficial to the Port of Oakland's customers. Port officials also commented that many support uses, such as truck parking, truck services and container storage, could be located remotely in other parts of the Bay Area and need not be located at or near the Port.

Concurrent with the stakeholder interviews, the consultant team also prepared two background documents. The *Oakland Army Base Market Scan* (April 25, 2005) provides an overview of the market and demographic trends in the Bay Area and the city of Oakland, and analyzes 25 potential uses for the site that were either recommended in the *Final Reuse Plan* and/or recommended by stakeholders and OBRA staff. This analysis, which helped to define the range of potential uses for the site, is summarized in Chapter 2 of this report.

The draft *Opportunities and Constraints Report* (May 4, 2005) provides an analysis of the physical and policy environment affecting the site. The report identifies site

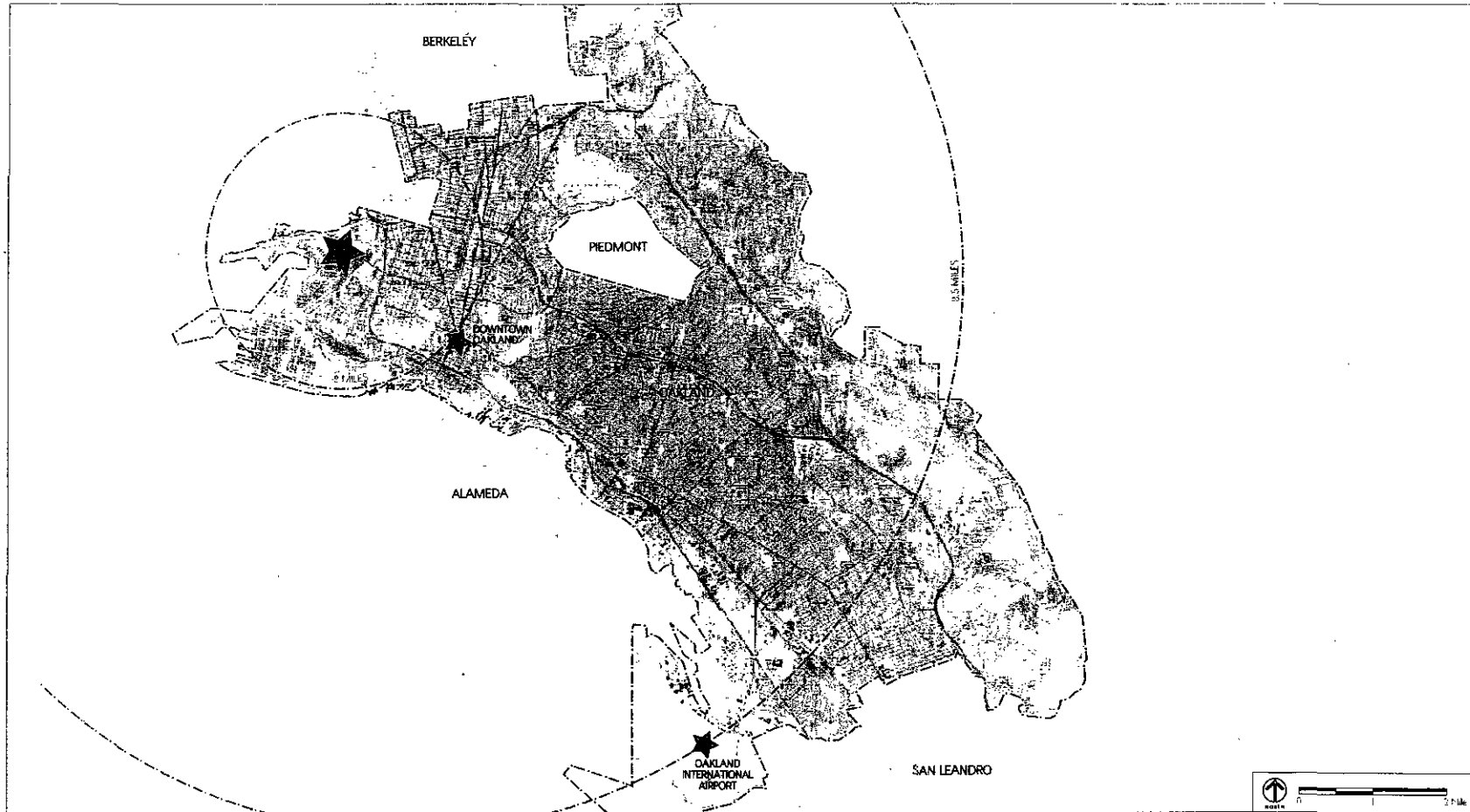
"givens" that must be accommodated in the development process as well as the site's opportunities and constraints. The key findings of this report are presented in Chapter 3 of this report.

Finally, to assist with the development of viable alternatives, the DC&E team organized an "Expert Panel" of developers, real estate brokers and potential users of the site and a "Charrette" with City staff to refine the alternatives.

The Expert Panel was held on May 19, 2005 and included the following individuals:

- ♦ Christine Firstenberg, Senior Vice President, Metrovation Brokerage
- ♦ Steve Simi, Owner, Connell Auto Group
- ♦ James Bohar, Senior Vice President, Colliers International
- ♦ Jeff Starkovich, Managing Partner, BT Commercial
- ♦ Ned Kopp, Independent Film Producer
- ♦ Robert Sakai, Technology & Trade Director, Economic Development Alliance for Business
- ♦ Scott Gleaser, Principal, Chamberlin Development Group

Following a presentation by the consultants, the participants at the Expert Panel



provided feedback on the advantages of the site, potential uses, the physical arrangement of uses, and potential synergies between them. As a result of the Expert Panel, several significant revisions were made to the alternatives.

On May 27, 2005, the consultant team held a Charrette with approximately 25 staff from OBRA, the Community and Economic Development Agency, the Office of the City Attorney, the City Administrator's Office, the Public Works Department, and staff representatives of several OBRA Governing Body members. At the Charrette, staff provided specific feedback on each of the four site alternatives that were then refined for inclusion in this report.

D. Site Themes

Based on the stakeholder interviews, discussions with OBRA and City staff, feedback from the Expert Panel and Charrette, and a consideration of the evaluation criteria, four themes emerged for the GDA site that guided the development of alternatives. These are summarized below.

Use as a Receiver Site. Numerous stakeholders recommended that the site be used as a receiver site for removing incompatible industrial uses from residential areas or under-performing uses from other parts of the city that could benefit from the site's high visibility. Specific recommendations

included recycling businesses and truck services in West Oakland, industrial uses from other parts of the city and auto dealers from the Broadway Auto Row. Implementing this strategy would open up other parts of the city for more compatible and higher and better uses, thus improving the quality of life in these areas. Overall, the use of the property could meet a number of goals including increasing business retention, resolving land use issues and supporting new development throughout the city

Support the Port of Oakland. Because the Port's maritime district is located immediately to the south of the site, many stakeholders recommended that uses on the site should predominantly support the Port's current and future activities. While the Port has stated that it has enough land for expansion, there are many market uses that can benefit from being close to the Port. Additionally a maritime-themed development has strong market demand and interest.

Make the Site a Destination. Due to the visibility of the site and its location within the region, numerous suggestions were made to create a signature destination on the OARB. There were many suggestions for specific type of uses, however, most stakeholders agreed that the visibility and waterfront location of the site creates a wide variety of opportunities.

Accommodate the 21st Century Economy. Several stakeholders recommended that the site should provide land for the types of uses that will drive the economy in the 21st century. To address this, the team researched the works of a number of Bay Area "Futurists" and considered how to approach 20th century uses in new ways.

These four themes are reflected throughout the four alternatives presented in Chapter 4; however, not every theme is reflected in each alternative.

This section summarizes the results of the initial analysis conducted on the market and economic feasibility of different land uses for the GDA site on the OARB. The analysis evaluated many concepts previously proposed (as well as recent land use proposals under Agency consideration) in order to narrow the range of anchor land uses that could form the core of a development strategy for the site. This work, in turn, supports the preparation of a developer solicitation effort and thus seeks feasible, market-supported projects that also meet the Agency's community and economic development goals.

The land uses analyzed range from very specific proposals identified during the stakeholder interviews to land uses that were identified by the consultant team based on Bay Area market trends and the team's experience with similar types of locations that have seen favorable market acceptance.

For each land use, a brief discussion is presented, leading to a finding of near-term market outlook (2005 - 2010), a long-term market outlook (beyond 2010), and an economic development summary finding. The uses under evaluation are:

- ◆ Automobile Sales Center
- ◆ Office

- ◆ Industrial, Flex and Research and Development
- ◆ Warehouse and Logistics
- ◆ Truck Services for Maritime Support
- ◆ Recycling and Eco-Industrial Park
- ◆ Big Box Retail
- ◆ Lifestyle Retail
- ◆ Outlet Mall
- ◆ Film Production Facility
- ◆ Luxury Hotel
- ◆ Housing
- ◆ Mid-priced, Budget and Extended Stay Hotels
- ◆ Film Production Park
- ◆ Specific Manufacturing Concepts
- ◆ Interstate Truck Plaza
- ◆ Wholesale Food Distribution

A. Uses With Moderate to Strong Outlook

1. Automobile Sales Center

Oakland's auto dealers, primarily located on Broadway in "Auto Row," have current sales from 10 to 50 percent below average Bay Area dealer sales volumes. This find-

AUTO SALES

Market Outlook

Near-Term: Strong
Long-Term: Strong

Economic Development

Frees up land for redevelopment on Auto Row/Broadway.

May increase sales tax revenues to City of Oakland.



Example of a multi-story BMW showroom in Toronto.



Interior of Toronto BMW Showroom.

OFFICE

Market Outlook

Near-Term: Weak
Long-Term: Strong

Economic Development

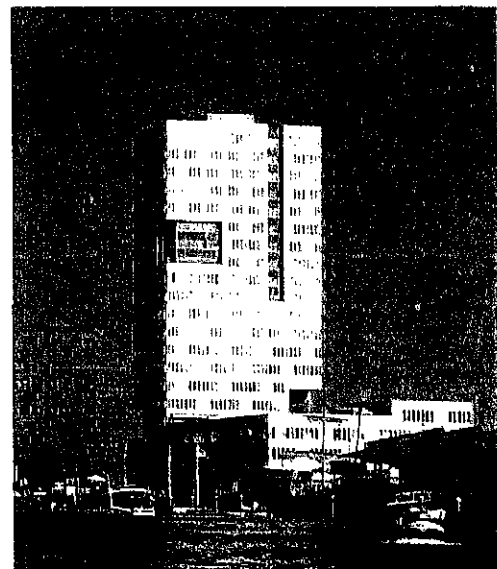
Generally contains high wage jobs.

Long term regional market efforts could assist in development of this activity.

2. Office

The Oakland office market currently has substantial vacancies, with a downtown vacancy rate of 13.4 percent (4th Quarter 2004), and an airport area vacancy rate of 24.6 percent. Downtown vacancies decreased slightly from 2003 following a several-year trend of softening office space markets overall in Oakland. Due to the relatively soft office market, the near-term outlook for this use at OARB is weak. However, in the longer-term, as Class A space is absorbed in downtown Oakland, the OARB (particularly the West Gateway area with spectacular waterfront views), may experience “strong demand. The economic development benefit of office space is that it generally contains higher wage jobs, depending on the type of tenant.

ing indicates an opportunity to increase sales through more visible showrooms and contemporary merchandising techniques. Relocation to contemporary facilities and the visibility offered by the OARB (with almost 300,000 vehicles passing daily) would greatly enhance marketing for Oakland's auto dealers. In addition, the OARB location could provide expansion and modernization opportunities for the local dealers, and may result in attracting additional dealerships to Oakland. The limited land available, along with the strong opportunity to maximize visibility, suggest that a multi-story showroom near retail should be considered.



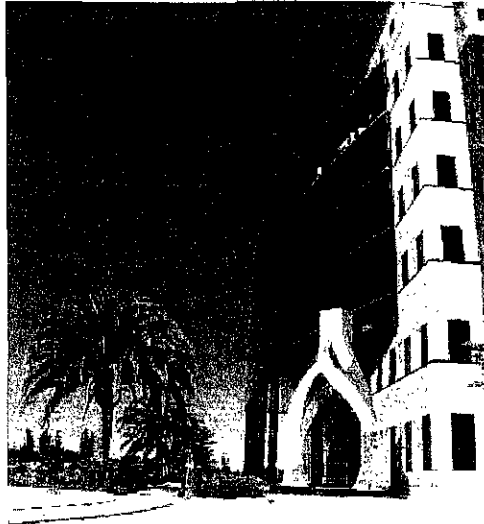
An office building could locate on the West Gateway of the OARB and serve as an iconic statement for the “gateway” into Oakland.

3. Industrial, Flex, and Research and Development

For Oakland's more than 33.4 million square feet of industrial and research and development space, recent trends indicate that the market has been recovering. Industrial space has experienced a strong tightening in vacancy rates (4.6 percent for 4th Quarter 2004), indicating strong market demand.

Research and development space serving the technology and bio-technology sectors has a small inventory of under 330,000 square feet in Oakland. This category had a high vacancy rate at the end of 2004 (over 22 percent), although unchanged from a year earlier. Both information and professional/technical/scientific employment increased in Oakland from 2002 to 2004, suggesting that these sectors may be recovering and gaining strength. Thus, while near-term demand for research and development space at OARB is likely to be limited, long-term demand may be strong, as other space in Emeryville and surrounding communities is absorbed and jobs grow. OARB could be positioned as a well-located urban-style campus environment for research and development. Further research and monitoring of Mission Bay's absorption are necessary to time the development of this use at OARB.

One of the bright spots in the current Bay Area market is demand for small, owner occupied light industrial/flex condominiums. Demand for this type of space is sen-



Well-designed and landscaped research and development uses could provide high-wage jobs.

sitive to low interest rates and strong small business sectors. Over the long-term the outlook should remain strong, as industrial conversion limits competitive supply, but may drop if interest rates rise substantially.

4. Warehouse and Logistics

Warehouse space in Oakland has experienced increased vacancies (to 9.8 percent in the 4th quarter of 2004) and declining rents, suggesting a modest demand for this type of space. However, due to freeway and Port access, warehouse space would likely be more strongly demanded at OARB than elsewhere in Oakland. Moreover, according to the Port of Oakland, high end logistics facilities are in strong demand, possibly as high as a need for one million square feet. Logistics space is typically defined as warehouse in form,

INDUSTRIAL

Market Outlook

Near-Term: Strong
Long-Term: Moderate

Economic Development

Moderate wage jobs.

RESEARCH & DEVELOPMENT

Market Outlook

Near-Term: Weak
Long-Term: Strong

Economic Development

High wage jobs and spin-off companies.

FLEX

Market Outlook

Near-Term: Strong
Long-Term: Strong

Economic Development

Medium to High wage jobs.

Supports small business.

**WAREHOUSE/
LOGISTICS**

Market Outlook

Near-Term: Strong
Long-Term: Strong

Economic Development

Supports Port.
Moderate wage jobs.

TRUCK SERVICES

Market Outlook

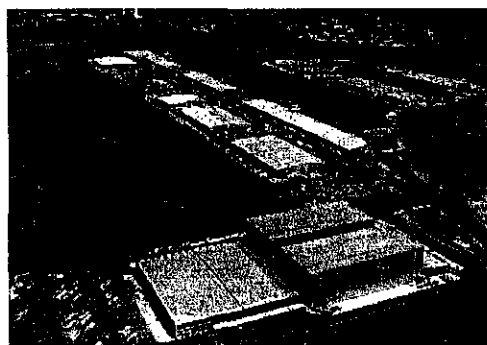
Near-Term: Strong
Long-Term: Strong

Economic Development

Supports Port operations.
Relocates out of West Oakland, allowing for improved quality of life & additional redevelopment.

but contains expensive freight handling equipment and is run by special operators to execute quick throughput of material that is off-loaded at the docks and quickly placed on trucks for distribution.

Thus, this use would likely attract strong developer interest in both the near- and long-term. Logistics space also contributes to the economic development of Oakland by supplementing Port operations while responding to near and long term market demand.



Aerial view of a logistics center adjacent to a Port.



Logistics centers use high-tech equipment to quickly sort and distribute goods.

5. Truck Services for Maritime Support

By the year 2020, Port of Oakland container traffic is expected to double, substantially increasing the demand for truck services. This will result in more trucks distributing goods within the Port (e.g., between the docks and the rail terminals) and more trucks that collect goods at the Port and distribute them throughout the Bay Area and Northern California. Current Port estimates envision the need for 135 acres for truck-related uses, of which 90 acres are currently programmed to be provided on Port property. This use will have short- and longer-term demand, paced to match the unknown rate of Port expansion.

In addition to support for Port operations, locating truck services on OARB may alleviate many of the impacts currently experienced not only by West Oakland residents from substantial truck traffic and idling/air pollution in the neighborhood, but in East Oakland, where a number of trucking related businesses are also located. Thus, this use provides the additional economic development and social equity benefits of relocating trucks to an industrial area of Oakland.

6. Recycling and Eco-Industrial Park

In general, recyclers are experiencing strong demand for their processing services due to growing streams of "feedstock" arising from growing waste recycling initiatives. End users of recycled materials are also increasing their demand due to rising costs of "virgin" materials. Many of these users are finding a ready customer base for recycled goods interested in "green" products and buildings.

At present, local recyclers face challenges to cost-effectively process materials, with some types of material now shipped overseas for processing. Recyclable materials represent the single largest tonnage of freight shipped out of the Port of Oakland, destined for Asia for processing and then returned to the United States and other locations for use.

According to the Community and Economic Development Agency, West Oakland, specifically, has seven recyclers (excluding Schnitzer Steel) on sites totaling approximately 16 acres. Most operators own their own sites and do not currently plan to move, although several may be interested in expansion. These local businesses could potentially relocate to the OARB, enabling improved land use compatibility and creating redevelopable land in West Oakland. The transition would likely involve extensive financial and regulatory issues, and a master developer with

assistance from the Agency would be necessary to effect this relocation to OARB.

A related option with potential long-term viability is the concept of developing an eco-industrial park at OARB. This concept builds on the idea that some recyclers process waste into usable materials, while other manufacturers need those materials and produce other waste products usable by yet other manufacturers. Development of a full-fledged eco-industrial park would likely require long-term start up, with careful strategic planning and a strong public/private partnership to fully implement the concept of complementary tenants able to reuse each other's waste streams.

7. Big Box Retail

Retail sales trends and the strong visibility of the OARB site suggest that Oakland could likely support additional big box retailers at this location. However, the trade area is already fairly built out with big boxes (e.g., Home Depot, CompUSA, Expo, Toys "R" Us, Ikea, and Best Buy) along with the recently constructed Super Target in Albany. Exceptions to this are Wal Mart, which is seeking dramatic expansion with its superstore (includes grocery store) throughout California at high traffic locations, and Costco, which is currently requesting an Exclusive Negotiating Agreement with the Agency to explore developing at OARB. Further

RECYCLING BUSINESS

Market Outlook

Near-Term: Moderate
Long-Term: Strong

Economic Development

Frees up land in West Oakland for redevelopment and improves quality of life.

ECO-INDUSTRIAL PARK

Market Outlook

Near-Term: Weak
Long-Term: Potential

Economic Development

Can generate moderate to higher wage jobs and new businesses.

BIG BOX

Market Outlook

Near-Term: Strong
Long-Term: Strong

Economic Development

Depending on retailer, may not result in high wage jobs.

Usually generates substantial sales tax for host city.

research would be needed to identify other likely big box candidates at OARB.

While big box retailers often bring new jobs to an area, the particular retailer does not always provide high wage jobs with good career advancement. The big box retailer typically will, however, bring substantial sales tax revenue to a community, provided the store is successful over the long run.

retail, creating a pedestrian-oriented "main street." The goal of a lifestyle center, which is typically between 300,000 to 700,000 square feet, is to encourage a longer, multi-purpose shopping trip that benefits from the synergy of land uses. Lifestyle retailing continues to grow in appeal on a national and regional basis.

With careful positioning to compliment existing retail in Emeryville, and good design to take advantage of available water views and outstanding freeway visibility, OARB would offer a strong attraction to a lifestyle retail developer. There are, however several obstacles that must be overcome for this use to be successful. These may include lack of direct access to site from the regional roadway system and heavy truck traffic in the area. In addition, some desired lifestyle retailers may be deterred by the heavy industrial factors, such as the adjacent East Bay Municipal Utility District sewage treatment plant and Caltrans Maintenance facilities. Improved physical connectivity to the Emeryville retail nodes could greatly enhance the viability of this type of retail at the OARB location.

LIFESTYLE RETAIL

Market Outlook

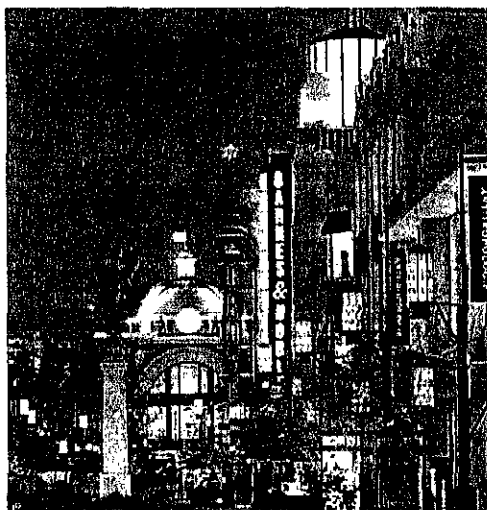
Near-Term: Moderate to Strong
Long-Term: Strong

Economic Development

Adds to quality of life.
Substantial sales taxes.
Destination building opportunity.

8. Lifestyle Retail

This retail category, exemplified by the nearby Bay Street Center in Emeryville, is an evolving concept of "lifestyle" retail (e.g., branded retailers offering specialty clothing, shoes, furniture, restaurants, along with an entertainment component such as a movie theater). Some lifestyle centers also offer housing units above the



Lifestyle retail that capitalizes the site's views could draw Bay Area residents to the OARB and generate significant tax revenue.

9. Outlet Mall

One of the popular types of large shopping centers developed throughout California in past decades is the outlet mall, which is typically a 500,000 to 1.5 million square feet facility offering name-brand merchandise at discounted prices. This product

type seeks highly visible freeway locations to attract through-traffic and tourists.

Hybrids of the outlet mall concept have been successfully developed by companies such as the Mills Corporation. These locations include a mix of outlet and more traditional mall retailing, along with movie theaters or other entertainment facilities and large food courts. These types of centers require substantial freeway visibility, easy automobile access and a large local trade area.

The strong visibility from I-80 and I-880 makes the OARB a strong candidate for this type of retail provided access can be improved to the site. It should be noted that it may be difficult to meet the large parcel size requirements of typical outlet malls if Costco is developed at the OARB site and maritime support uses are also planned.

10. Film Production Facility

This use encompasses a broad range of occupants, ranging from traditional film sound and production stages to computer-oriented special effects developers. Experts expect more than \$125 million in production revenue to be spent in the Bay Area in 2005. While production as a whole in the Bay Area has decreased over the past five years, due to both high costs and the specific plans of production leaders, Oakland has seen a surge in on-location filming and production services. One of the main challenges to creating a permanent film pro-

duction facility that is sufficient in scale and services is to counter-act the tendency of production companies to go on location for a single movie or two, and then depart. While the Bay Area offers excellent location shooting, it competes with lower cost areas around the world. Production companies solve this problem by renting a temporary large, clear span structure for a year or two, building their team and stages, and then tearing down the improvements when filming is complete.

Thus, to establish a permanent, ongoing facility would require an investor or producer to conduct on-going production either for its own company and/or for other companies. One model that has proven to be relatively successful is to establish a production facility for television shows that have a longer lifespan than a single movie production.

The City of Oakland Film Office has actively supported Oakland film production for the past several years and has opened a temporary incubator at OARB. The center houses 22 film-related businesses, including transportation, communication, props, mobile offices, lighting and camera companies. The Oakland Film Office director has announced a desire to establish a permanent center at OARB to expand this incubator concept and establish Oakland as a media center.

Both the short-term and longer-term outlook for a production facility depends on the capability of the City of Oakland to

OUTLET MALL

Market Outlook

Near-Term: Moderate to Strong

Long-Term: Moderate to Strong

Economic Development

Substantial sales taxes.

FILM PRODUCTION

Market Outlook

Near-Term: Moderate but can build on existing facility

Long-term: Moderate to Strong

Economic Development

Fosters new businesses and higher wage jobs in Oakland.

**LUXURY HOTEL/
FRACTIONAL**

Market Outlook

Near-Term:
Constrained by Bridge
construction
Long-Term: Strong

Economic Development

Can create moderate
wage jobs.
Fosters improved
gateway image.
Generates tax rev-
enue.

HOUSING

Market Outlook

Near-Term: Strong
(for-sale)
Long-Term: Strong
(both for-sale and
rental)

Economic Development

Can support other
development compo-
nents that may bring
economic develop-
ment.

foster this initiative, as well as securing partners and/or developers that can develop and finance full production facilities. This use category can also be complemented with economic development initiatives such as incubator space to foster start-up film production and computer graphics companies.

11. Luxury Hotel/Fractional

A luxury hotel could be considered as a long-term option for the West Gateway after reconstruction of the Bay Bridge is completed and parkland areas are developed. This area offers exceptional views and a feeling of isolation while still being close-in and accessible to the heart of the Bay Area.

Luxury hotels in urban settings tend to be closely associated with the travel and tourism economic cycles, although long-term trends suggest that retiring baby boomers will increase demand for new luxury product types around the world. One of the burgeoning types of luxury hotel development is the "fractional" or "club" concept, which taps into the growing vacation and second home markets. A fractional is similar to the traditional time-share concept, where a buyer purchases the right to use a lodging unit for a specific period of time or season, in conjunction with other unit owners. These products are emerging in urban areas, offering city living to empty nesters with residences in more suburban areas.

In the long term, demand could emerge for a luxury hotel with a residence or club component at the West Gateway.

12. Housing

The Oakland/Emeryville area has seen a boom in the residential condominium market over the past few years. At the end of 2004, there were approximately 10 new condominium projects selling or under construction in Oakland and Emeryville, and numerous additional projects in the pipeline. As recent data indicate, the for-sale residential market remains quite strong. Future increases in interest rates may negatively impact absorption, but in the job-rich inner Bay Area, prices are likely to remain steady, particularly given supply constraints. In contrast, current apartment rents do not support new construction costs. One notable exception is affordable housing, which is typically financed by a combination of tax credits and other subsidies.

Given the site's industrial nature of the historic uses, and concerns about air pollution and soil contamination, residential uses may be difficult and costly to build. However, in many urban settings the added cost of clean-up is off-set by the potential profit of residential uses. Moreover, housing development in the West Gateway will likely have strong market demand, due to the views and unique setting.

B. Uses with Limited Demand or High Risks

The study also analyzed several other uses with either high development risk of success or weak market demand over the near- and long-term. Each of these uses is summarized below.

Mid-priced, Budget and Extended Stay Hotels. Current market indicators suggest that this use will not be well-supported until the economy fully rebounds.

Film Production Park. The success of the Film Production Park with an associated theme/amusement park use depends on ability of sponsor to finance and develop sufficient visitation to the theme/amusement park component of the project.

Specific Manufacturing Concepts. NUMMI was seeking a new facility to manufacture Prius autos as this report was under development, but ultimately selected a Tennessee location. Other manufacturing opportunities may arise periodically, but are difficult to predict.

Truck Plaza. This use is likely viable, due to lack of services for Interstate truckers within the Bay Area. However, this use would attract substantial additional truck traffic to an already impacted area, making it impossible to develop other uses at OARB. Concerns have been raised about negative uses associated with trucking plazas and the additional adverse affects of trucks on surrounding neighborhoods. Additionally, some stakeholders raised the



Universal Studios CityWalk in Hollywood, California serves as a successful example of a combined film production facility, theme park and retail development.

regional economic development policy question of why Oakland should be responsible to provide for the bulk of the region's trucking demands.

Wholesale Food Distribution. This use could accommodate the need to relocate the current food distribution terminal from Jack London Square, but depends on a host of factors to ensure viability, including competitive rents, access, and funding sufficient to support improvement costs.

C. Evaluation Criteria

The preceding potential OARB land uses were evaluated against a set of criteria developed by the consultant team, based on input from OBRA and City of Oakland staff and elected officials.

In order to provide a systematic framework and enable a perspective that balances competing goals for the site, the evaluation criteria were organized according to the three "E's", a system of evaluating sustainable land uses used by numerous Bay Area cities and regional organizations. The "E's" refer to the concepts of sustainability as applied to Economics, Equity, and Environment. The criteria are described below. A matrix showing the evaluation of each land use described above is presented in Figure 2-1.

I. Definition of Economic Criteria

a. Total Employment Per Acre

- High: 20 or more jobs/acre
- Medium: Between 10 and 19 jobs/acre
- Low: Fewer than 9 jobs/acre

b. New Jobs Per Acre

(Excluding existing jobs shifted from other locations in Oakland)

- High: 20 or more new jobs per acre
- Medium: Between 10 and 19 new jobs per acre
- Low: Fewer than 9 new jobs per acre

c. Sales Tax Revenue Per Acre

- High: Sales tax generated from use over \$10,000 annually per acre
- Medium: Sales tax generated from us up to \$10,000/acre annually per acre
- Low: Little or no sales tax generated

d. Property Tax Revenue Per Acre

- High: One percent property tax per acre generated from use over \$20,000 annually
- Medium: Generates up to \$20,000/acre in property tax annually
- Low: Little or no property tax generated

- e. Short-Term Market Support (2005 - 2010)**
 High: Strong market support and developer interest
 Medium: Moderate or uncertain market support and developer interest
 Low: Little or no known market support or expected developer interest

- f. Long-Term Market Support (After 2010)**
 High: Strong market support and developer interest
 Medium: Moderate or uncertain market support and developer interest
 Low: Little or no known market support or expected developer interest

- g. Residual Land Value**
 High: Use typically creates over \$20 per square foot of land value
 Medium: Use typically creates between \$5 and \$20 per square foot of land value
 Low: Use typically creates less than \$5 per square foot of land value

- h. Likely Developer Interest in RFP**
 High: Known or identifiable developer interest
 Medium: Developers expected to respond to RFQ/RFP with sufficient outreach
 Low: Little developer interest, or developer pool is very limited for this use

- i. No Subsidy Needed**
 High: No subsidy need should be expected
 Medium: Subsidy may be needed to prepare site
 Low: Subsidy likely required to prepare site or achieve economic development goals

2. Definition of Equity Criteria

- a. Living Wage Job Per Acre**
 High: 20 or more jobs/acre
 Medium: Between 10 and 19 jobs/acre
 Low: Fewer than 9 jobs/acre
- b. Inclusion in the New Economy**
 High: Provides strong career ladders and opportunities for local hiring
 Medium: Provides limited career ladders or opportunities for local hiring
 Low: Provides no opportunities for local hiring

- c. Known Community Support**
 (Known or assumed support for the use on the site)
 High: An overall high level of community support from West Oakland residents, businesses or stakeholder groups.
 Medium: Some degree of support, or mixed support, from West Oakland residents, businesses or stakeholder groups.

- Low: General lack of support in West Oakland for the uses.
- Oakland's residential uses, including plans for the Wood Street development.
- d. Contributes to Placemaking**
- High: Use creates a regional destination at the site with a distinct and unique sense of place or has a use/tenant that has a distinct identity.
- Medium: Creates a destination/identity for Oakland and nearby residents.
- Low: Does not create a unique identity or destination.
- e. Supports Other Citywide Economic Development Goals**
(may make land available for redevelopment elsewhere to achieve goals)
- High: Creates substantial economic development opportunities elsewhere in City
- Medium: Creates limited economic development opportunities elsewhere in City
- Low: Does not create opportunities elsewhere
- 3. Definition of Environmental Criteria**
- a. Land Use Compatibility: West Oakland**
- High: Use is highly compatible (i.e., supports existing uses and does not degrade the quality of life or economic vitality) with West
- Medium: Use is somewhat compatible with West Oakland residential uses.
- Low: Use is incompatible with West Oakland's residential uses and/or would require a large degree of buffering and mitigation measures to ensure compatibility.
- b. Land Use Compatibility: Port Uses**
- High: Use is compatible with and supports Port of Oakland operations.
- Medium: Use is generally compatible with Port operations, but does not directly support the Port. Limited buffering and/or mitigation measures would be required.
- Low: Use is not compatible with, nor does it support, Port of Oakland operations.
- c. Minimizes Environmental Impacts**
- High: Use would have no significant environmental impacts or would reduce existing environmental impacts in the surrounding area, particularly West Oakland.
- Medium: Use would have some environmental impacts.

Low: Use would have many environmental impacts, especially for West Oakland residents.

d. Minimizes Transportation Impacts
(Impacts on local roadways - congestion or safety)

High: Use would have no significant transportation impacts in West Oakland or on regional roadways.

Medium: Use would have some impacts on local roadways.

Low: Use would have significant impacts on local and regional roadways.

e. Enhances Gateway

High: Use would highly enhance the entryway into Oakland, as seen from the freeways, Bay Bridge or from the main entries to the site (such as West Grand Avenue or 7th Street).

Medium: Neutral entry to Oakland that improves the visual quality compared to Port uses.

Low: Use is equal to the existing uses on the site in terms of an attractive gateway.

f. Minimal Administrative/Regulatory Steps

(Steps are needed to locate the use on the site)

High: Few regulatory changes would need to occur to implement the use.

Medium: Minor regulatory changes would be required to implement use.

Low: Many regulatory changes would need to occur, such as a zoning changes, General Plan amendment, or extensive environmental review/cleanup.

D. Matrix

The evaluation matrix for each land use analyzed in this report is shown on the following pages.

CHAPTER 2: MARKET & ECONOMIC CONSIDERATIONS

	ECONOMICS								EQUITY					ENVIRONMENT						
	Total Employment/Acre	New Jobs/Acre	Sales Tax Revenue/Acre	Property Tax Revenue/Acre	Short-Term Market Support (< 20/0)	Long-Term Market Support (> 20/0)	Residual Land Value	Likely Developer Interest in RFP	No Subsidy Needed	Living Wage Jobs/Acre	Inclusion in The New Economy	Known Community Support	Contributes to Rejuvenating	Supports Citywide Eco-Dev Goals	Land Use Compatibility - W. Oak	Land Use Compatibility - Port	Minimizes Transportation Impacts	Minimizes Environmental Impacts	Enhances Gateway	Administrative/Regulatory Steps
Light Industrial/Flex-Office	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○
Office	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○
Light Industrial	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○
Research & Development	●	●	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○
Industrial / Flex Condominiums	●	●	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○
Industrial/Warehouse & Trucking Services																				
Warehousing and Logistics	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○
Wholesale Food Distribution	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○
Truck Services	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○
Truck Plaza	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○
Eco-Industrial Park	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○
Recycling Businesses	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○
Media Center: Film/Computer Effects Production Facilities																				
Film or Computer Effects Production Facility	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○
Production Facility & Entertainment Amusement Park	●	●	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○
Automobile Retailers																				
NUMMI Hybrid Auto Production	●	●	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○
Auto Sales Center	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○
Alternative Automobile Mall - Hybrid Car Emphasis	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○
Retail																				
Big Box Retail	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○
Lifestyle Retail	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○
Outlet Mall	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○
Hotel / Lodging																				
Luxury Hotel	●	●	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○
Mid-Price Hotel	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○
Budget Motel	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○
Extended Stay Hotel	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○
Fractional or Club Resort	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○
Housing																				
High-Rise Housing	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○
Mid-Rise Housing	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○

rior to the creation of viable Gateway Development Area alternatives, the DC&E team identified a number of site development considerations to guide the planning process. These considerations describe unique opportunities, physical and policy constraints to development and facts that must be taken into account during the development of the site. This information is derived from the team's draft Opportunities and Constraints Summary report (May 4, 2005).

This chapter generally describes the GDA in section A; adjacent land activities in section B; site "givens" in section C; visibility and views considerations in section D; transportation and utility concerns in section E; environmental contamination in section F; soils and stability issues in section G; and a summary of site development considerations in section H.

A. Gateway Development Area

The Gateway Development Area has been conceptually divided into several development sites, as shown in Figure 3-1. Characteristics of each are discussed below. The total area for development, not including land under the elevated sections of I-880, is approximately 165 acres.

Central Gateway. The Central Gateway is 70 acres just south of West Grand Avenue and west of the current Maritime Street. This area is the largest development site within the Gateway Development Area.

East Gateway. This site is 35 acres south of West Grand and east of Maritime Street. It is adjacent to the future Port property and has access to the North Gateway under the elevated freeways.

North Gateway. This site is 28 acres, and includes the part west of Wake Avenue known as the Baldwin Yard, and the area east of Wake Avenue known as the Subaru Lot. The Subaru Lot was not originally a part of the conveyance from the Army; OBRA purchased site from the Army Reserve in November 2004.

West Gateway. The West Gateway is approximately 31 acres and bounded by the Oakland Outer Harbor and Caltrans Bay Bridge facilities. It is highly visible from the Bay Bridge and I-80. Caltrans is using the majority of the West Gateway area for Bay Bridge construction staging through 2010; this could be extended to 2013 and longer if the bridge construction is delayed. Thus, this area is expected to be available for development some time after the rest of the site. As part of the pending Tidelands Trust exchange, a strip of water-

front land may be dedicated as open space, under an eventual Trust Exchange Agreement with the State Lands Commission.

B. Adjacent Uses

The parcels adjacent to the Gateway Development Area create potential constraints as well as potential opportunities for development on the site. Figure 3-2 shows the existing site context, including key uses in and around the site.

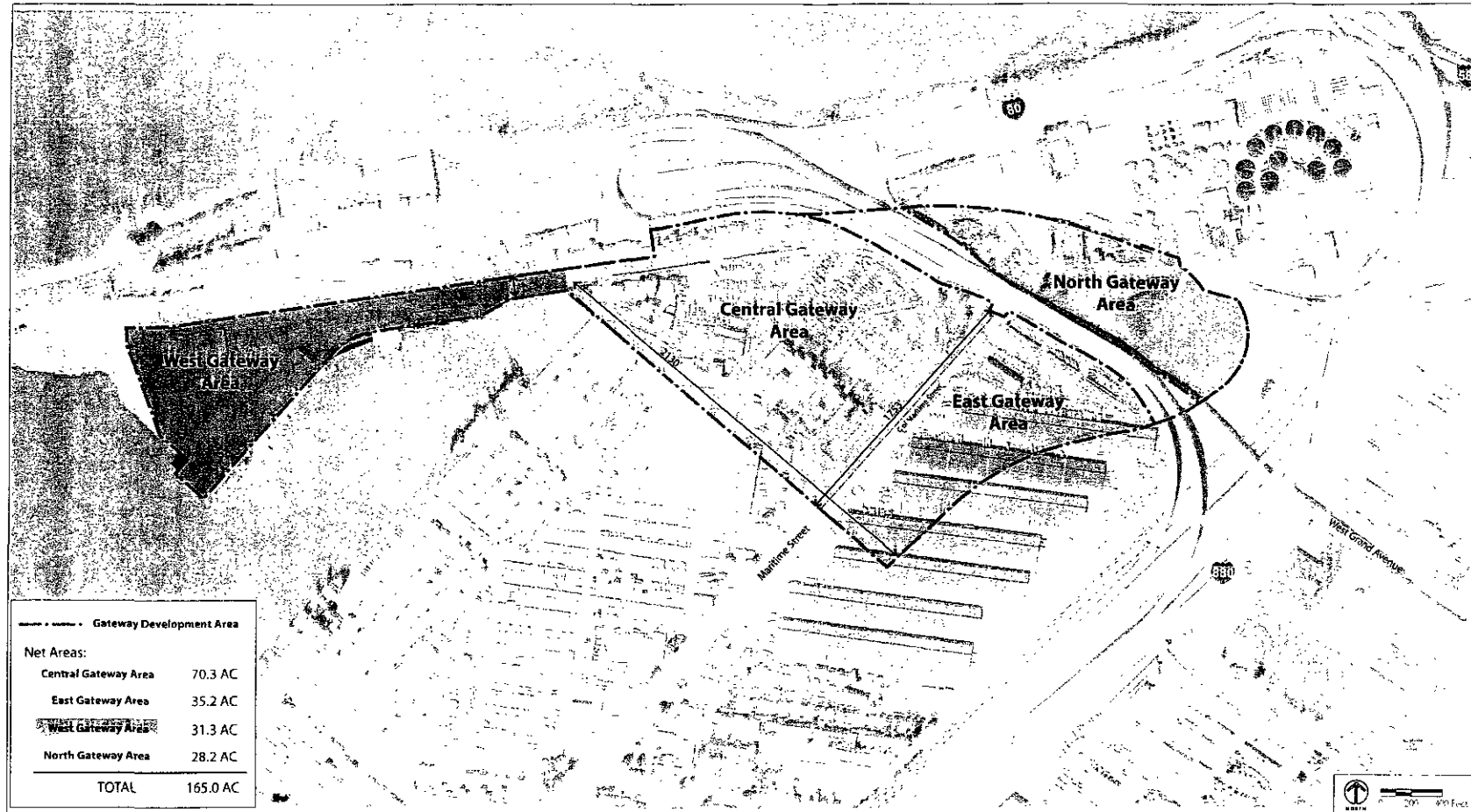
Port of Oakland. The Port of Oakland abuts the Central, East and North Gateway Sites. In addition to its current property holdings, in August 2006 the Port will take title to the East of Maritime area of the Base, to be known as the Port Development Area, where it plans to build a new Joint Intermodal Terminal. The Port is the fourth largest container port in the country. Its proximity presents an opportunity for synergistic uses at the GDA, but also imposes constraints to development due to the number of trucks that must pass through the GDA and the noise, air pollution and visual impacts associated with Port operations and the regional freeways.

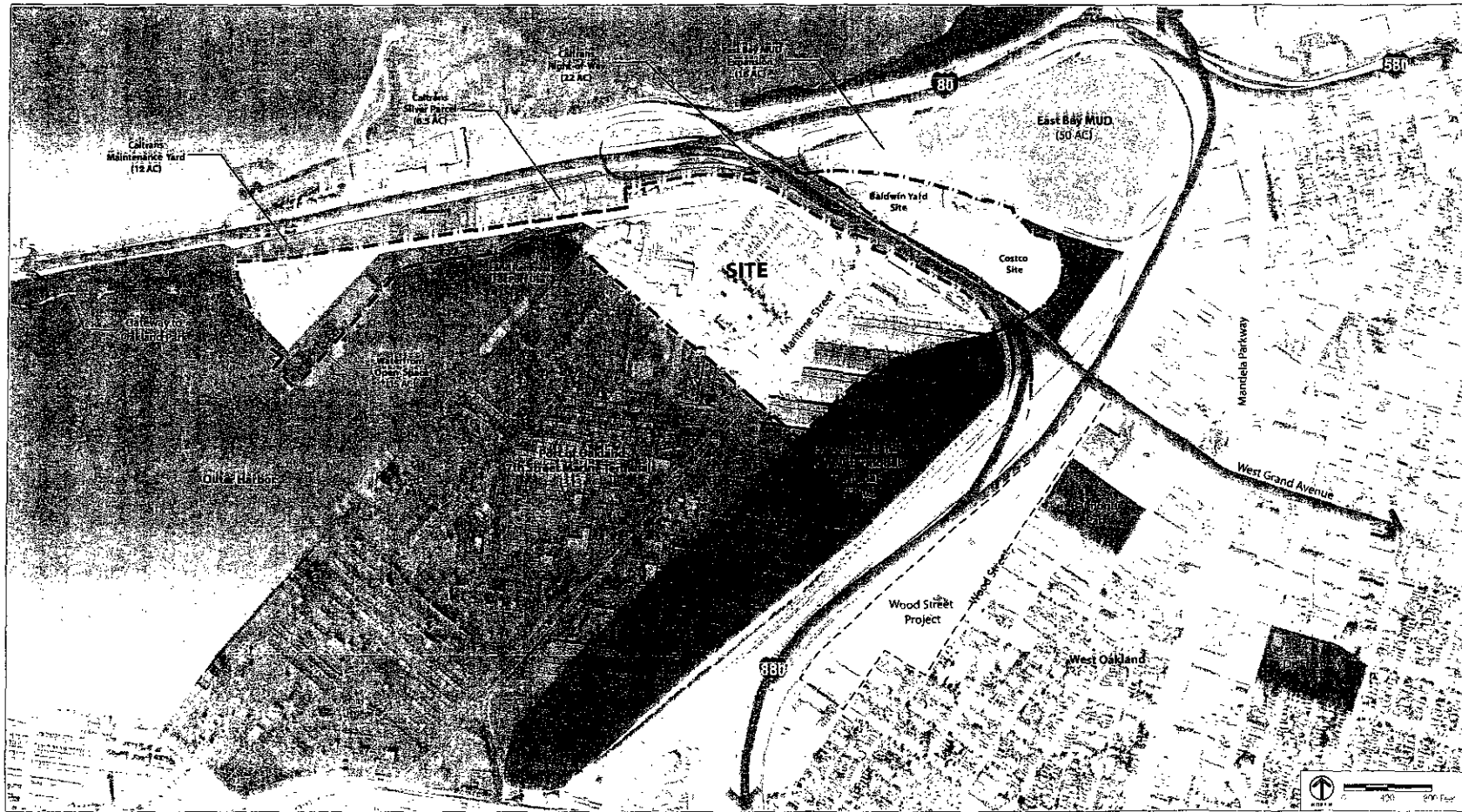
EBMUD. A 50-acre East Bay Municipal Utilities District (EBMUD) wastewater treatment plant borders the North Gateway site, creating a potential constraint due to associated odors when winds are blowing in an unfavorable direction.

EBMUD has plans to acquire and expand onto an adjacent 16-acre site to the west of the plant that would be adjacent to the GDA's North Gateway area.

Caltrans. The Caltrans Maintenance Yard is located on the narrow neck of land between the Bay Bridge approach and the West Gateway Site. The Maintenance Yard is approximately 12 acres and is used for maintenance vehicles and as a staging area for the Bay Bridge retrofit. In addition, Caltrans will acquire 6.5 acres of non-Army base property adjacent to the Central Gateway area, from the City in August 2006 for expansion of its maintenance complex. This property was to have come to the City from the Port of Oakland and is commonly known as the "Port sliver property." The Caltrans Maintenance Yard presents a visual barrier between the eastbound traffic at the Bay bridge touchdown and the West Gateway area, although Caltrans has committed to a modernization and realignment of its uses and facilities in the complex.

West Oakland. The West Oakland neighborhood is separated from the Gateway Development Area by I-880 and various railroad tracks. The area is currently a mix of residential, commercial and industrial uses. Industrial uses, such as recycling businesses, are often integrated within neighborhoods, creating conflicts with residential uses. Numerous development initiatives are underway that could help to reshape West Oakland, one of the most prominent being the Wood Street Project,





an approximately 1,500-unit development with retail, that is part of the Oakland Army Base Redevelopment Area. Other significant future redevelopment is occurring and expected to continue along Mandela Parkway.

Emeryville Power Center. The Emeryville Power Center is a big-box retail area that includes Ikea and the East Baybridge retail center. It is a regional retail draw, and could provide synergies with retail if this use is included in the Gateway Area. The closest connection to Emeryville is via West Grand Avenue and Mandela Parkway.

East Bay Regional Park District Open Space. 15 acres of land at the western tip of the former OARB adjacent to the Bay Bridge touchdown will be conveyed directly to the East Bay Regional Park District by means of a Public Benefit Conveyance. There will be opportunities to connect this new park, currently referred to as the "Gateway Park," to the Bay Trail and other open space amenities.

C. Site "Givens"

There are a number of existing policy and physical considerations that have an impact on the development of the Gateway Development Area. These site "givens" are listed below:

General Plan Land Use Designations and Zoning. The site is currently designat-

ed as General Industrial/Transportation and Business Mix and the site is zoned as M-40, Heavy Industrial. It is expected that the General Plan and zoning will be amended to accommodate the preferred site plan for the Gateway Development and thus there is no constraint to development.

Redevelopment Area Designation. The OARB (and surrounding Port area and Wood Street area in West Oakland) was designated a Redevelopment Area in 2000. The designation provides a potential financing resource to assist the Agency in facilitating development of the Base.

Bay Conservation and Development Commission (BCDC) Ancillary Maritime Use Requirements. As part of BCDC's approval of the Final Reuse Plan, BCDC required that OBRA and the Port each dedicate 15 acres of their respective development areas at the Base to ancillary maritime uses under BCDC's "Port Priority Use" designation. The Baldwin Yard (in the North Gateway Area) was selected as the Port Priority Use location on the GDA, with the understanding from BCDC that once development plans for the Base are more defined, the location may change. Allowable ancillary maritime uses in this designation include trucking services such as parking and maintenance, container services, including staging and stacking, customs services, and warehouses that support maritime uses and tugboat services.

Tidelands Trust. Portions of the Army Base are subject to the "Tidelands Trust," which is administered by the California State Land Commission (SLC). The trust limits development uses and reinvestment proceeds to maritime-related uses. To maximize the Agency's development options, an effort is underway for a trust exchange that will remove the trust designation from GDA lands and place it on the adjacent Port Development Area. The required state legislation (SB 674: the Oakland Army Base Public Trust Exchange Act) and a Trust Exchange Agreement between the SLC and OBRA, Port of Oakland, City and Redevelopment Agency are in-progress. As part of a trust exchange, certain waterfront areas will remain in the trust and be developed as open space with public access amenities. The location is generally determined but the design of the open space is flexible and will be dependent upon the final land use preferences. This public waterfront feature is in addition to the 15 acres of land being provided to the EBRPD for the Gateway Park.

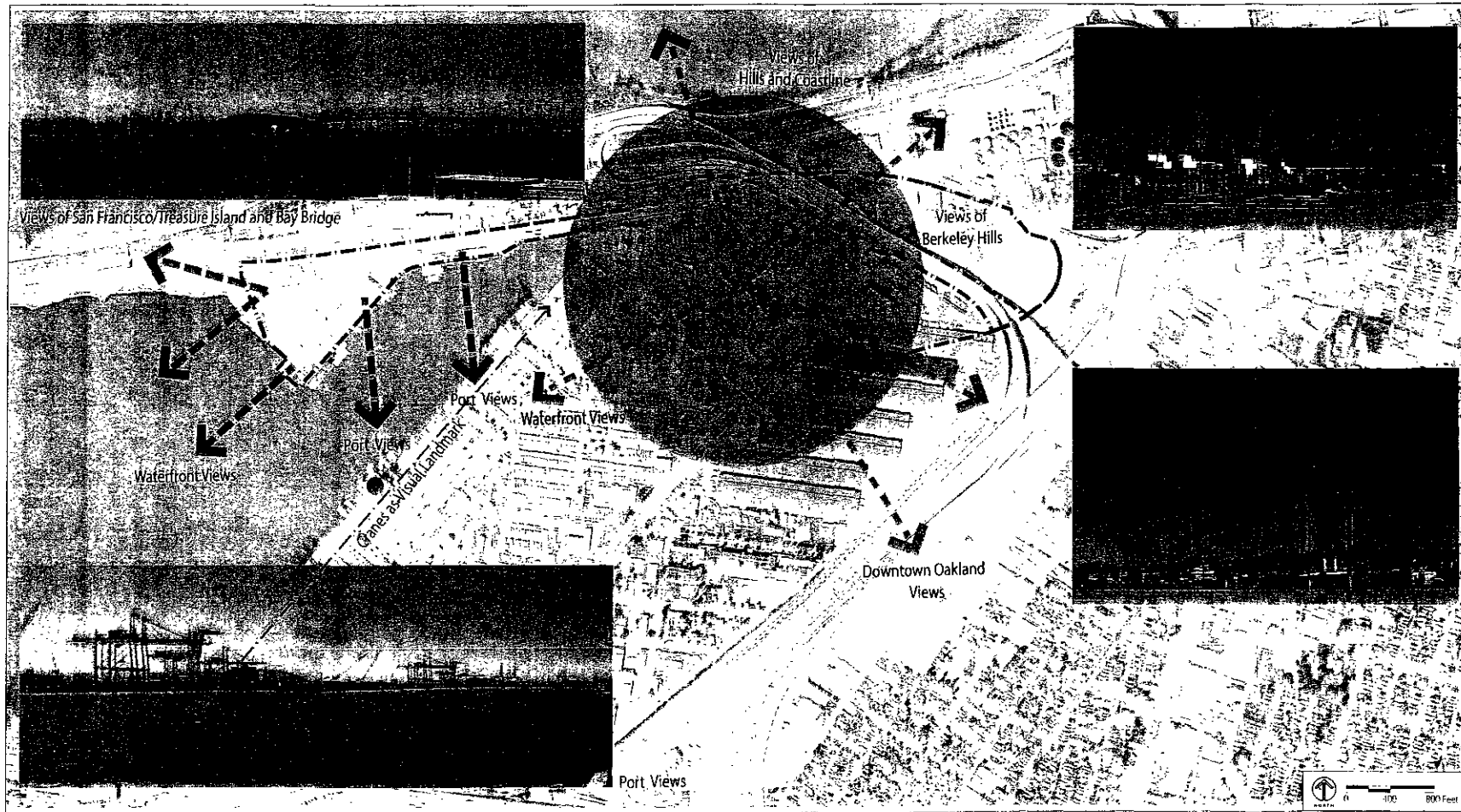
Caltrans Easements Under Elevated Freeways. Caltrans owns approximately 22-acres of land underneath the elevated freeways as it passes through the Gateway Development Area. OBRA and the Port obtained perpetual easement rights to utilize the majority of this land, however, due to Homeland Security concerns, the use of this land is highly constricted and is limited to only the following: unladen truck

parking, landscaping, utilities and roadways. Laden truck parking, buildings, cargo containers, and flammable substances and explosives are not allowed under freeways. The OBRA and Port perpetual easements, however, provide the assurance that the areas will be available for uses within the allowable areas. In addition, it is possible that the restrictions could be modified in the future.

D. Visibility and Views

As shown in Figure 3-3, visibility and views present two of the predominant site characteristics. From the site, there are views of downtown San Francisco, downtown Oakland, the East Bay Hills, and Mt. Tamalpais in Marin County. Views are particularly striking from the West Gateway area looking west towards San Francisco and the Bay Bridge.

The site also has tremendous visibility from the interstate freeways. Both the I-80 and the I-880 freeways carry a high number of vehicles each day. I-880, an eight-lane freeway that serves West Alameda County, the South Bay and San Jose, carries approximately 109,000 vehicles per day. I-80 is an eight- to ten-lane freeway that serves San Francisco, the West Bay and points north and east of the Bay and carries approximately 284,000 vehicles a day.



E. Transportation and Utilities

While the site is highly visible from I-80 and I-880, access to the site can be difficult. The primary access is from West Grand Avenue, which along with the elevated freeways, divides the North Gateway from the Central and East Gateways. West Grand Avenue can be accessed from westbound I-80, northbound and southbound I-880, or from surface streets in West Oakland. In addition, the site can also be accessed from 7th Street through the Port of Oakland and along Maritime Street.

The site transportation and infrastructure pose several constraints to development. First, trucks serving the Port of Oakland, without some alternative access route will need to travel through the Gateway Development Area; this could result in traffic capacity problems at key GDA intersections, conflicts between passenger vehicles and truck, and decreased marketability of the site for some uses. Second, the existing site transportation pattern offers no means of separating truck traffic serving the Port from other vehicular traffic serving the GDA. Third, the intersection at Maritime Street and West Grand Avenue will reach an unacceptable level of service once development occurs. In response to these concerns, a circulation system should be created that allows vehicles to access the Central, East and West Gateway areas through the North

Gateway area. In earlier planning efforts the Port proposed a "loop" road encircling the Subaru Lot in the North Gateway and along the Port/Agency OARB property line; the Loop Road concept is under evaluation by both the Port and OBRA as of the writing of this document.

The majority of streets that exist on the site do not need to remain in their current location. The only exception is Maritime Street, which is expected to remain. This is because the Port of Oakland is expected to continue using Maritime Street on its property and because a number major of utilities, including a jet fuel line serving Oakland International Airport, run beneath Maritime Street. If a site plan is selected where Maritime Street is no longer needed, the site planning would need to restrict the placement buildings over the underground infrastructure.

It is vital that the Agency and the Port coordinate circulation and transportation networks to support each development. Cost of long term improvements in the Oakland Army Base Redevelopment Area is a consideration as well, given the Agency's need to ensure that the Wood Street Project, Gateway Development Project and the Port's Maritime Expansion are well planned and support expected future growth in this area.

F. Environmental Contamination

Environmental contamination from past Army Base activities as well as developments that pre-date Base operation, currently exists on the site. The site will be remediated to commercial and industrial standards prior to development and environmental clean-up is already underway. Residential uses could potentially go anywhere in the GDA if higher remediation standards were implemented. The investigation and clean-up requirements would be subject to the review and approval of the California Department of Toxic Substances Control. The current land use restrictions prohibiting residential development would need to be removed following the completion of cleanup to a residential standard.

G. Soils and Stability

The soil in the Gateway Development Area consists of gravelly sand fill extending to a depth of approximately five feet below ground surface. A second fill layer of fine-grained sand exists between approximately five to 15 feet below ground surface. When development occurs, the Central Gateway site will need approximately four feet of fill to be developable. Some portions of the West Gateway site will also likely require fill in some locations. It is

not anticipated that development on the North and East Gateway sites would require major new fill.

While new buildings of any size or shape may be constructed on the site, specialized foundations will generally be required in all areas. Single-story buildings will likely need to be constructed as slabs on grade with spread footings. Any buildings taller than one story will likely require piles or piers.

H. Summary Site Development Considerations

The following is a brief summary of the conclusions regarding site development considerations.

- ♦ There are 165 acres of developable land available in the Gateway Development Area. The majority of the land is available for development beginning in August of 2006. The West Gateway will not be available for approximately 10 years due the Caltrans construction easement.
- ♦ The site is relatively isolated from the rest of Oakland as a result of the elevated freeways, railroad tracks, the Port of Oakland and the EBMUD facility. These features and uses present both opportunities and constraints to development.

- ♦ 15 acres of the site must be dedicated for ancillary maritime uses as a result of BCDC concerns.
- ♦ Land under the elevated freeways can only be used for unladen truck parking, roadways, landscaping, and utilities.
- ♦ Per the requirement for a State Lands Trust Exchange Agreement, public access to the waterfront and public open space opportunities need to be provided.
- ♦ The site is highly visible from regional roadways and there are tremendous views of regional landmarks from the site.
- ♦ Access to the site must accommodate truck traffic serving the Port of Oakland.
- ♦ The site will be cleaned to commercial and industrial standards. Residential uses could be built if the site (or part of the site) is remediated to a higher standard and as a result the current land use restrictions prohibiting residential uses are removed.
- ♦ Due to the presence of fill, all new buildings will require either foundations with special footings or piles.

CHAPTER 3: SITE CONSIDERATIONS

ased on the stakeholder interviews, the *Oakland Army Base Market Scan*, the Expert Panel and the *Opportunities and Constraints Report*, the consultant team has developed four preliminary site alternatives for the Gateway Development Area. Where proven feasible from a market perspective, land uses from the *Final Reuse Plan* have been incorporated into the alternatives. These alternatives are intended to present the OBRA Governing Body and the Oakland Redevelopment Agency with distinct, yet viable alternative visions for the site.

To varying degrees, the alternatives incorporate the four site themes presented in Chapter 1. These are:

- ♦ Create a receiver site for uses from other parts of the City.
- ♦ Support the Port of Oakland's current and future operations.
- ♦ Make the site a destination for City and Bay Area residents.
- ♦ Accommodate the 21st century economy by providing space for forward-looking uses.

Each alternative described includes a text description, a land use diagram, an urban design diagram and a building massing plan. The analysis of the performance of the alternatives based on a number of economic, social equity and environmental criteria will be presented in the final version of this interim report.

The four alternatives are:

1. **Eco-Oakland**, which focuses on providing flexible land uses that support the economic development initiatives of the City of Oakland.
2. **Destination Oakland**, which provides a signature retail destination for Oakland and Bay Area residents that capitalizes on the almost 300,000 cars per day that pass by the site.
3. **Gateway Oakland**, which focuses on jobs-producing uses including research and development, bio-manufacturing and higher-wage retail.
4. **Movie Production Park**, which also generally addresses the proposed film production park currently under consideration by the Agency as of the writing of the report.

A. Alternative I - Eco-Oakland

With an emphasis on light industrial and maritime support uses, the Eco-Oakland alternative focuses on providing flexible land uses that support the various economic development initiatives of the City of Oakland. This alternative would allow many industrial land uses such as private recycling facilities, truck services, and other industrial support services to move to the GDA site.

I. Land Use

The Eco-Oakland alternative includes logistics centers, an eco-industrial park, big-box retail and office uses. The land uses are shown in Figure 4-1. At the heart of this alternative is a large logistics center, which is a state-of-the-art distribution center complex. In its stakeholder meeting with staff and the consulting team, the Port of Oakland identified a logistics center as a potential use that is complementary to the Port's operation and also has a high market demand. This alternative includes approximately 56 acres for this use adjacent to the Port and the planned Joint Intermodal Terminal. The site plan includes large parcels that can be internally configured to meet the needs of the users. The assumed floor-area-ratio (FAR) for

this use is .45. The BCDC requirement for 15 acres of ancillary port uses is fulfilled with logistics center uses.

Eco-industrial uses also form a key theme of this alternative and are concentrated on the northwest side of the site for a total of approximately 37 acres. These uses are envisioned to include a wide variety of users such as recyclers, scrap brokers, gravel crushing operations and other light industrial users. The light industrial character of this area and its focus on reducing waste through symbiotic relationships among the businesses would also make it a *good location for uses such as a solar cell manufacturing facility*. The site plan assumes an FAR of .3 to .4 for the eco-industrial area.

The City is currently in negotiations to bring a Costco store to Oakland and is considering the Subaru parcel in the North Gateway as its preferred location. The Eco-Oakland alternative includes 15 acres for the Costco on this site, which does not present compatibility issues since the North Gateway Area is removed from the larger site.

Finally, the West Gateway is identified for office uses. Although planning for this area is very preliminary due to its longer devel-

opment timeline, the Eco-Oakland alternative envisions an office building providing an iconic statement for the "gateway" to Oakland from the Bay Bridge.

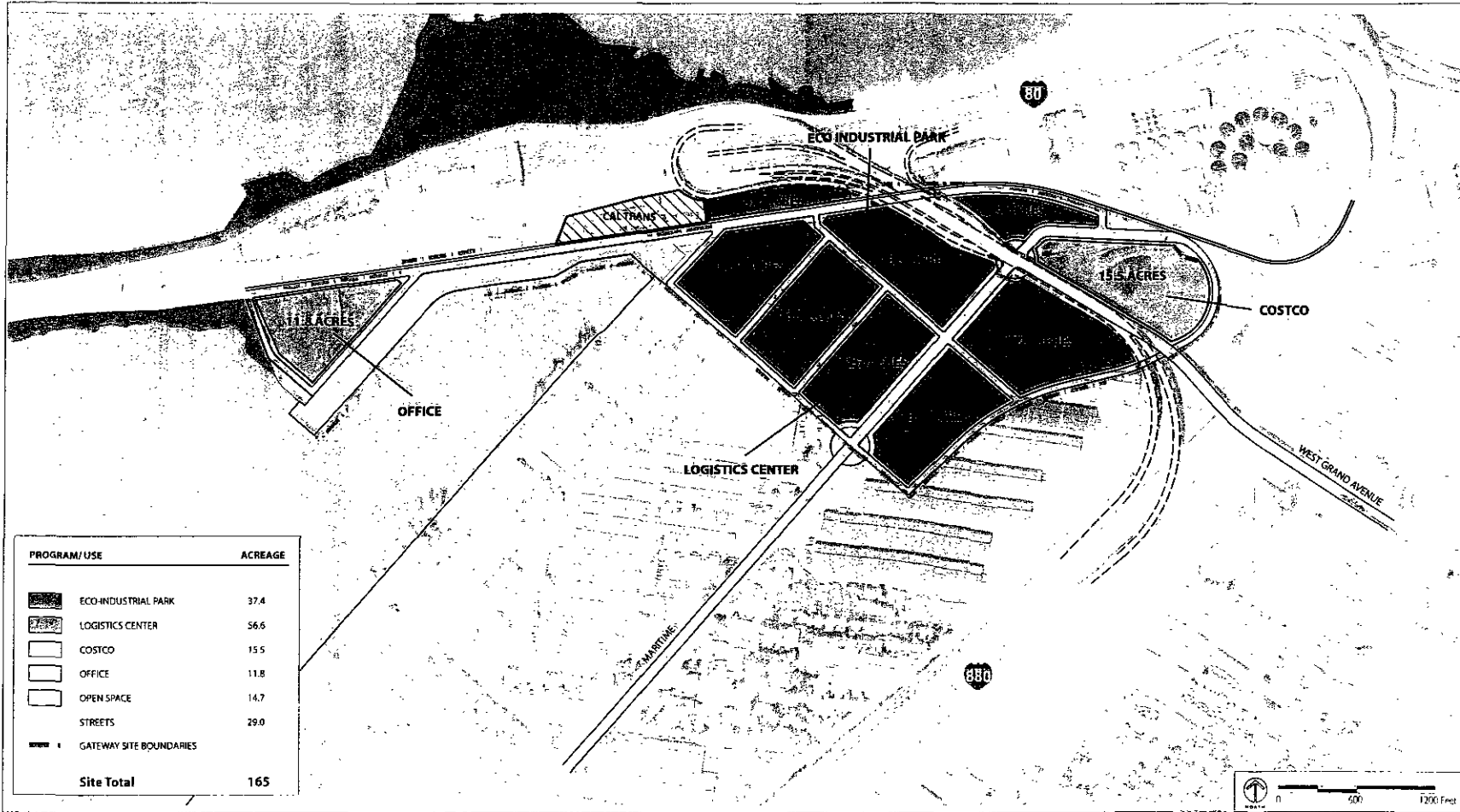
2. Circulation and Urban Design

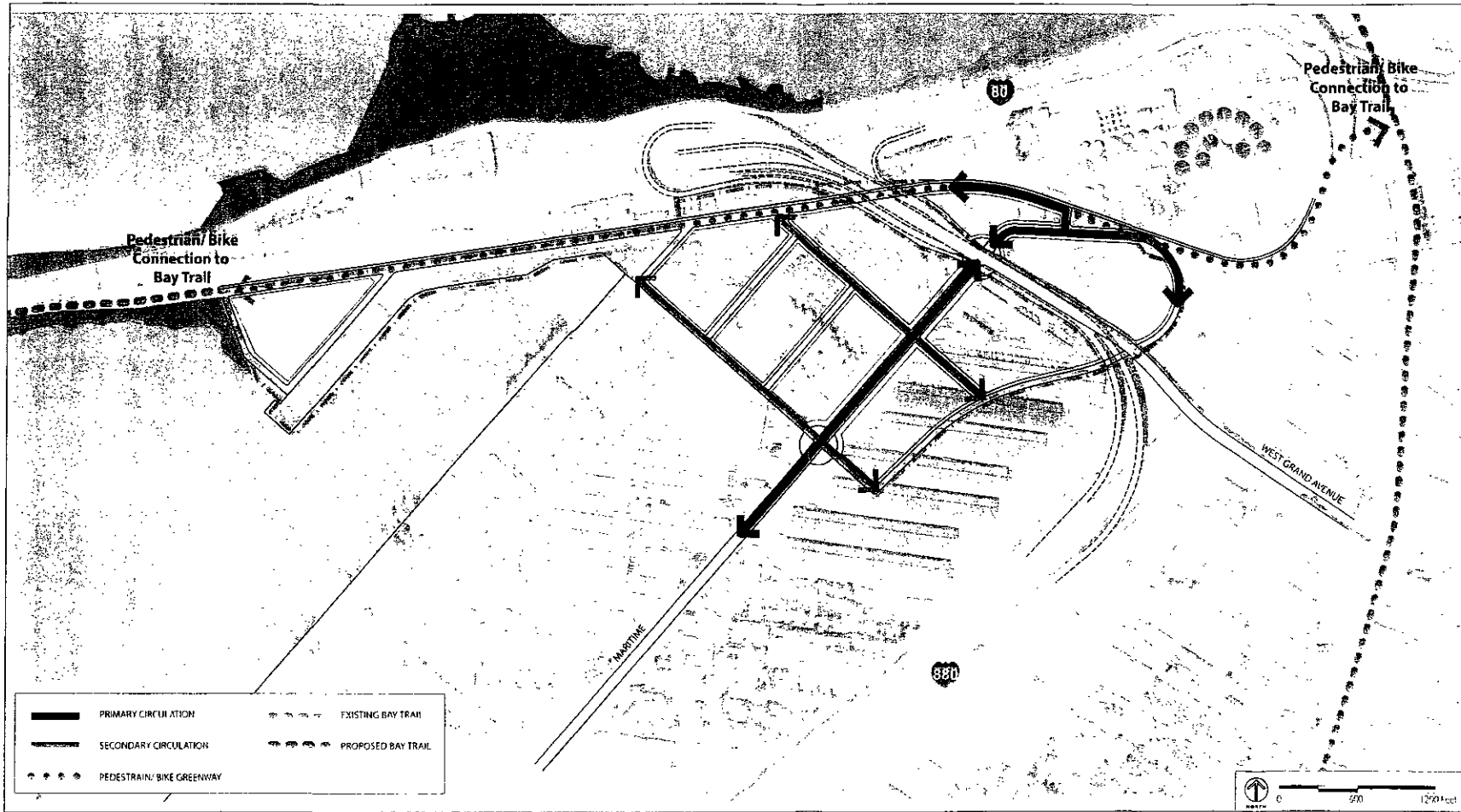
The street layout for Eco-Oakland employs a standard grid, using Maritime Street as the central spine and orientation for the site. This grid structure provides flexibility to accommodate the variety of users envisioned for the eco-industrial park. Complementing the ecological approach of this alternative, a network of trees and landscape elements establish a consistent framework and further integrate industrial uses into the city. At both the north and south access points from Maritime, an opportunity for some type of gateway element, which could include signage, landscaping, or art is also included.

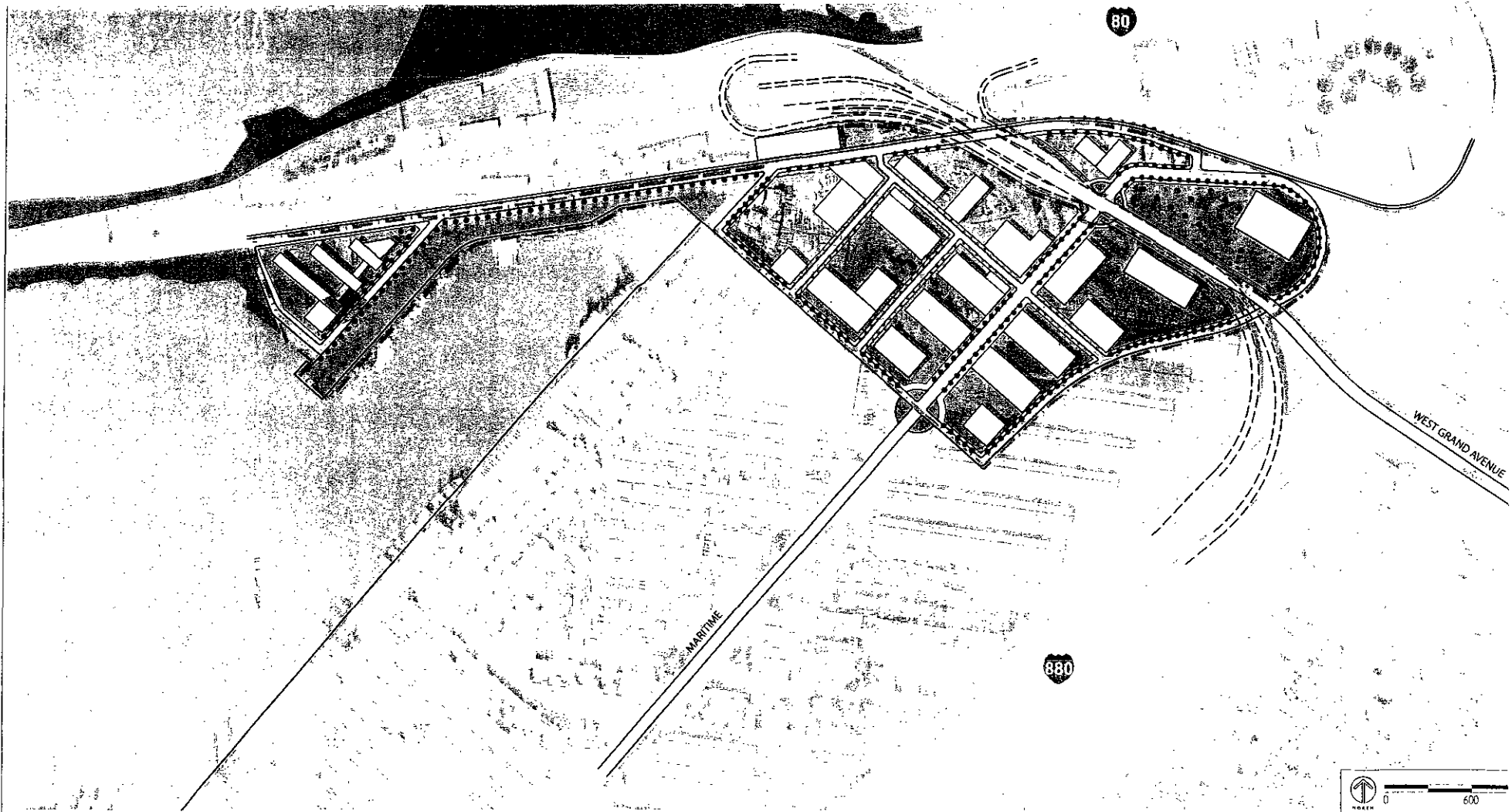
Options for a loop road to divert a portion of the Port's truck traffic have been under consideration for some time. This alternative includes a loop road that allows truck traffic to go north at the intersection of West Grand Avenue and Maritime, around the edge of the Subaru parcel and then south along the eastern boundary of the OARB site, adjacent to the planned Joint Intermodal Terminal. Because truck traf-

fic would presumably increase with the development of the logistics center and the need to transport goods and materials to the eco-industrial uses, a secondary access for trucks will help ensure that traffic levels of services on Maritime and West Grand Avenue are not negatively impacted. Traffic would also be able to access the Central and West Gateways via a new east-west road along the northern edge of the property. Careful planning and coordination with the Port of Oakland on the traffic considerations is required to ensure the success of this alternative.

Pedestrians and bicycles are also accommodated in this alternative. The Bay Trail runs along Mandela Parkway in West Oakland and it is envisioned that a pedestrian/bicycle link can be established along the unused railroad trestle to the north of the site. This trail could also connect to the waterfront open space along the railroad right-of-way at the north edge of the site and provide an extension to the City's open space network. The ability to utilize the unused railroad trestle will also require coordination with the Port, EBMUD and BNSF Rail Company. Figures 4-2 and 4-3 show the circulation systems and illustrative site plan for this alternative.







B. Alternative 2 - Destination Oakland

The focus in Destination Oakland is to provide a signature retail destination for Oakland and Bay Area residents that capitalize on the almost 300,000 cars per day that pass by the site. The retail uses are divided between urban auto sales showrooms and a hybrid lifestyle/power center. Additional space is provided for truck services, film production and a hotel/residential tower.

1. Land Use

The primary focus of this alternative is on a retail main street in the Central Gateway. Figure 4-4 shows the land use pattern of this alternative.

Approximately 50 acres are devoted to the lifestyle/power center, which could include a Costco, other big box retailers, and smaller retail outlets. Additionally, residential units could be accommodated above the retail, provided that air quality and noise issues do not pose a problem. The waterfront attributes of the site would be maximized in this alternative for public access, recreation and open space.

The Auto Sales Complex combines a traditional auto dealership layout with a more urban idea that employs structured parking to create a vertically organized structure for display and storage of vehicles that relies less on surface parking. This approach is more pedestrian friendly and integrates better with the other retail uses

and maximizes the development potential of the overall site. With exposure on both sides of the freeway, the auto sales complex has great potential for visibility. Auto Sales activities make up approximately 32 acres in this alternative. The inclusion of an Auto Sales Complex is responsive to City's efforts to retain Oakland auto dealerships while attracting additional dealerships.

Film production support is also included in this alternative. With approximately 10 acres, adequate space is available for warehousing props and production equipment, a soundstage or production facility, and other film industry support facilities. This use was identified as desirable both by the City of Oakland, which currently operates a production incubator site on the OARB, and by industry representatives who indicated a lack of permanently dedicated film production space in the Bay Area. This site was chosen so that the freeways and railroads would have less impact in terms of noise and vibrations on the filming activities.

Adjacent to the future Joint Intermodal Facility is approximately 22 acres for trucking support services. This could include maintenance, parking, and other facilities that support the Port of Oakland, which would serve to meet the BCDC requirement for 15 acres of ancillary port uses.

As in all alternatives, the development of the West Gateway will occur post 2010.

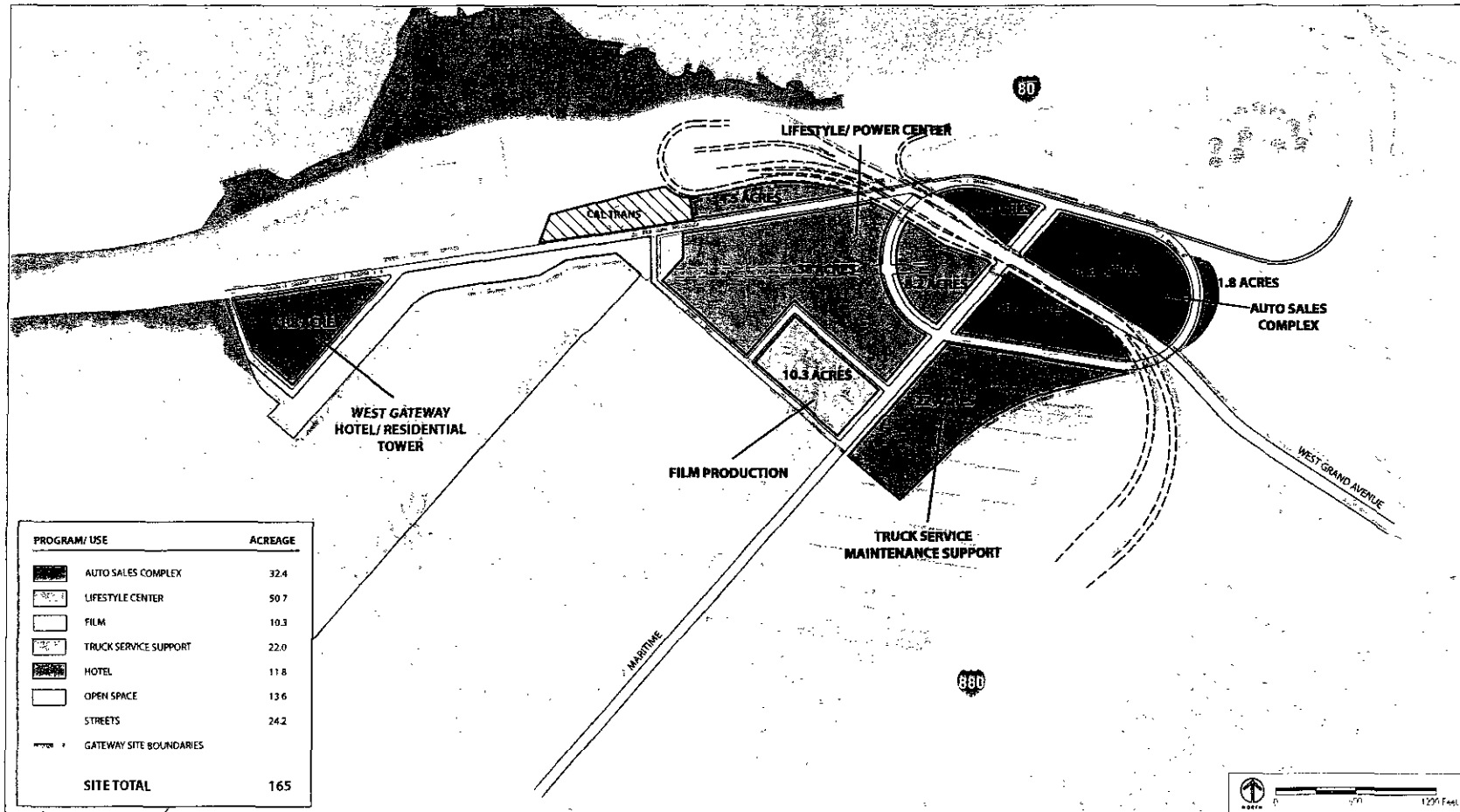
As such, a specific market use of this area is dependent upon the final development program for the remainder of the GDA. In this alternative, the West Gateway area would host a hotel/residential complex including a tower that brings a sense of identity to the site. The concept could be adjusted to meet market demand but could also accommodate a fractional resort or timeshare.

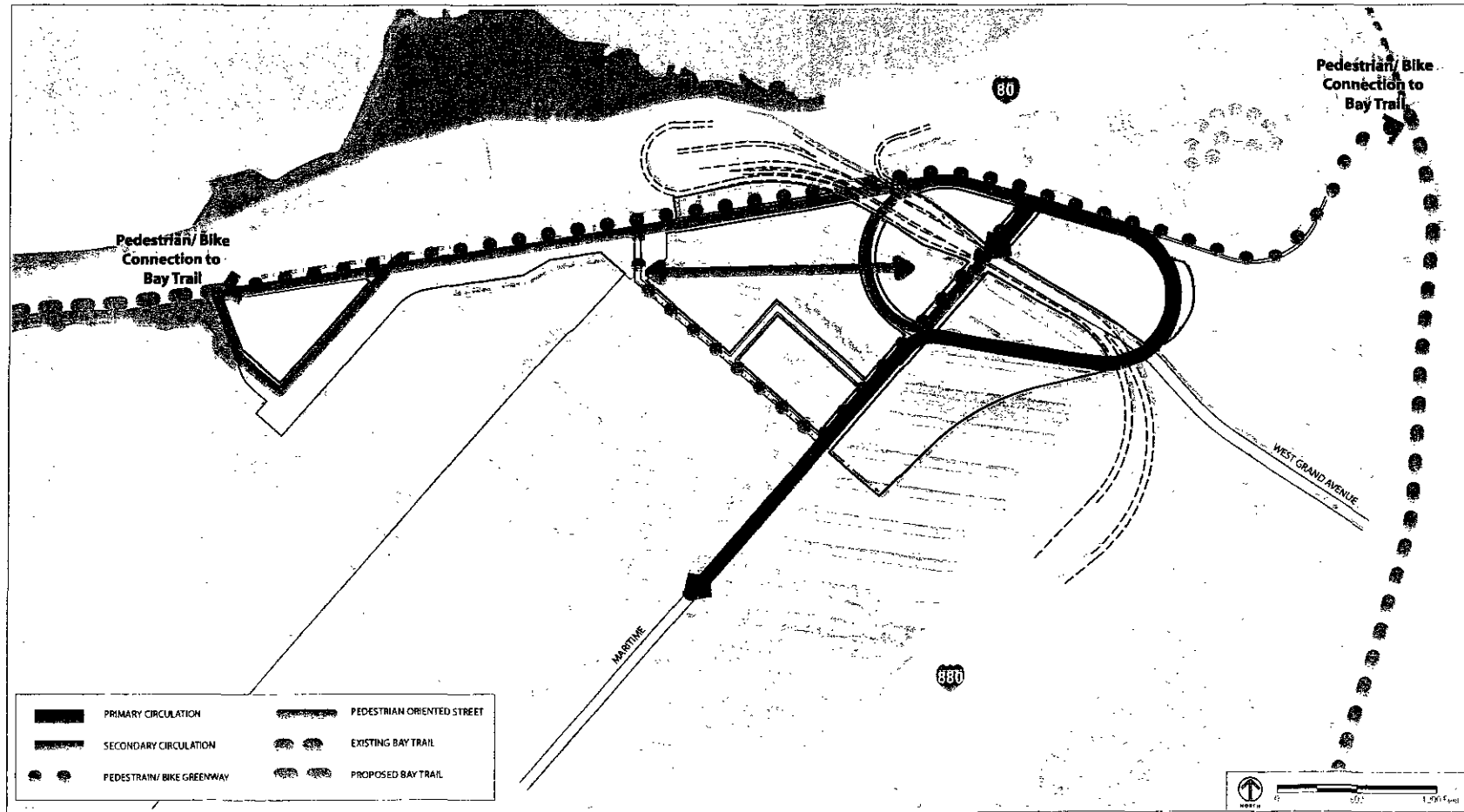
proposed on the south end of the site to provide additional access through the site to the waterfront. Figures 4-4 and 4-5 show the circulation system and illustrative site plan of this alternative.

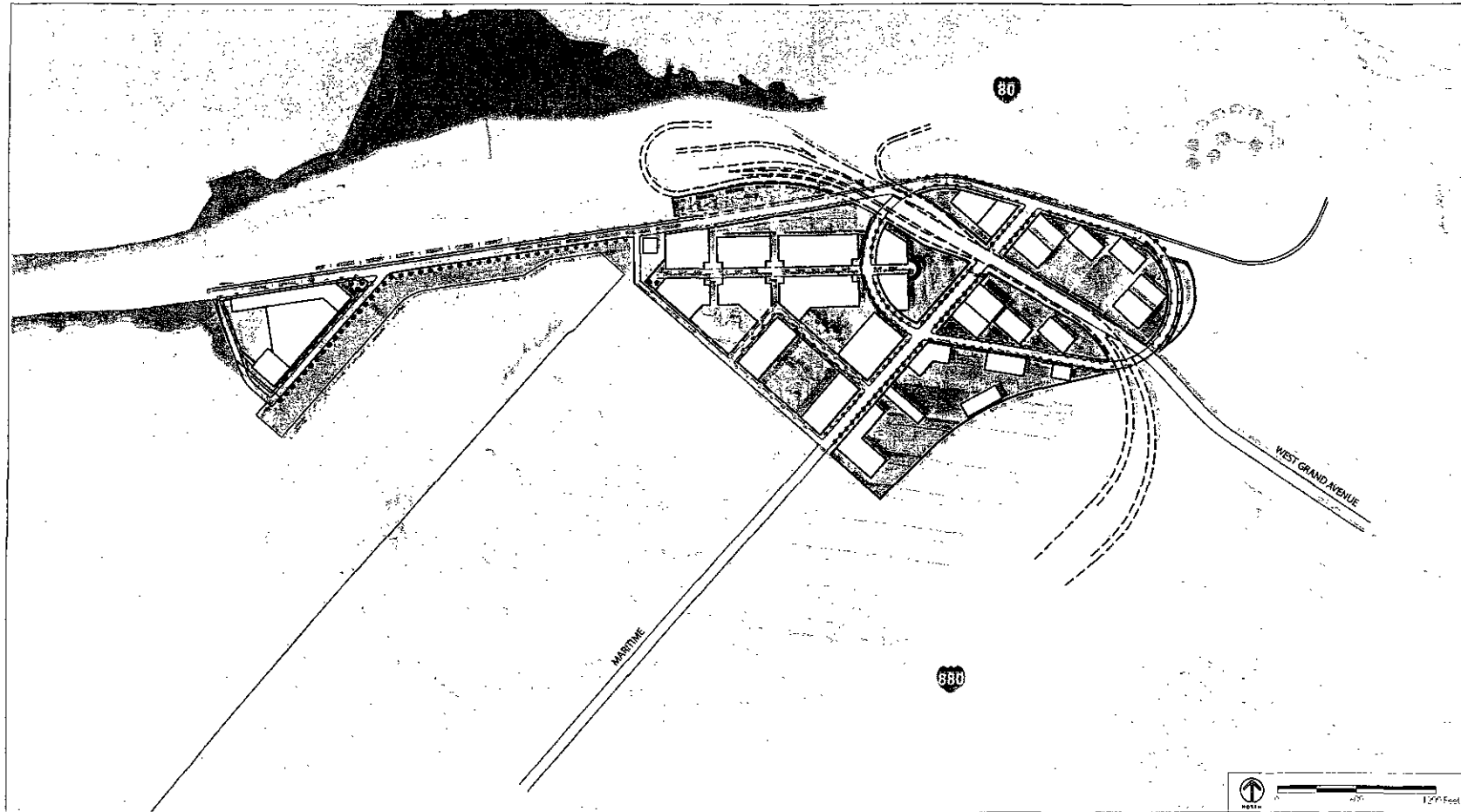
2. Circulation and Urban Design

The circulation for this alternative expands the idea of a loop road by creating a circulation oval at the north end of the site, framing the auto sales center. As a perimeter to the auto sales complex, easy access is provided to all the dealerships as well as for vehicle test drives. A coordinated layout of auto dealers around the loop road would reinforce the unique character of the auto sales center in the Bay Area.

The lifestyle/power center is organized around a central spine oriented east-west that would focus the retail experience. Direct views to the waterfront, the Bay, and the new east span of the Bay Bridge, and additional public access to the adjacent waterfront open space would provide the retail scheme with a strong sense of place and identity. Parking is provided both in structures and in surface lots. Additionally, a pedestrian/bicycle path is







C. Alternative 3 - Gateway Oakland

Based on the market research and discussions with a range of experts, this alternative captures the viable land uses that could provide a source of relatively high-paying jobs for Oakland residents. At the heart of one of the most prolific regional centers for biotech and life sciences, the Oakland Army Base can provide much needed expansion space for existing Bay Area research and development companies and attract new businesses to the area based on the easy access and proximity to a large number of existing synergistic industries, academic centers and companies.

I. Land Use

Gateway Oakland focuses on jobs-producing uses including research and development, bio-manufacturing, logistics centers, and higher-wage retail. These are represented in Figure 4-7. Research and Development, which could include high-tech and bio-manufacturing, comprises approximately 51 acres in the Central Gateway area. The area is laid out with larger superblocks that could be internally configured to meet the needs of the end user. Some of these users may prefer a site that is less visible from the freeway for security reasons. Therefore, the area provides a number of options for different users.

Logistics is also a major land use in this alternative with approximately 34 acres, adjacent to the Port and the Joint Intermodal Terminal. Although this acreage is less than the 56 identified in the Eco-Oakland alternative, research indicates that this lesser amount is still viable. The BCDC requirement for 15 acres of ancillary port uses is fulfilled with logistics center uses, as in the Eco-Oakland alternative.

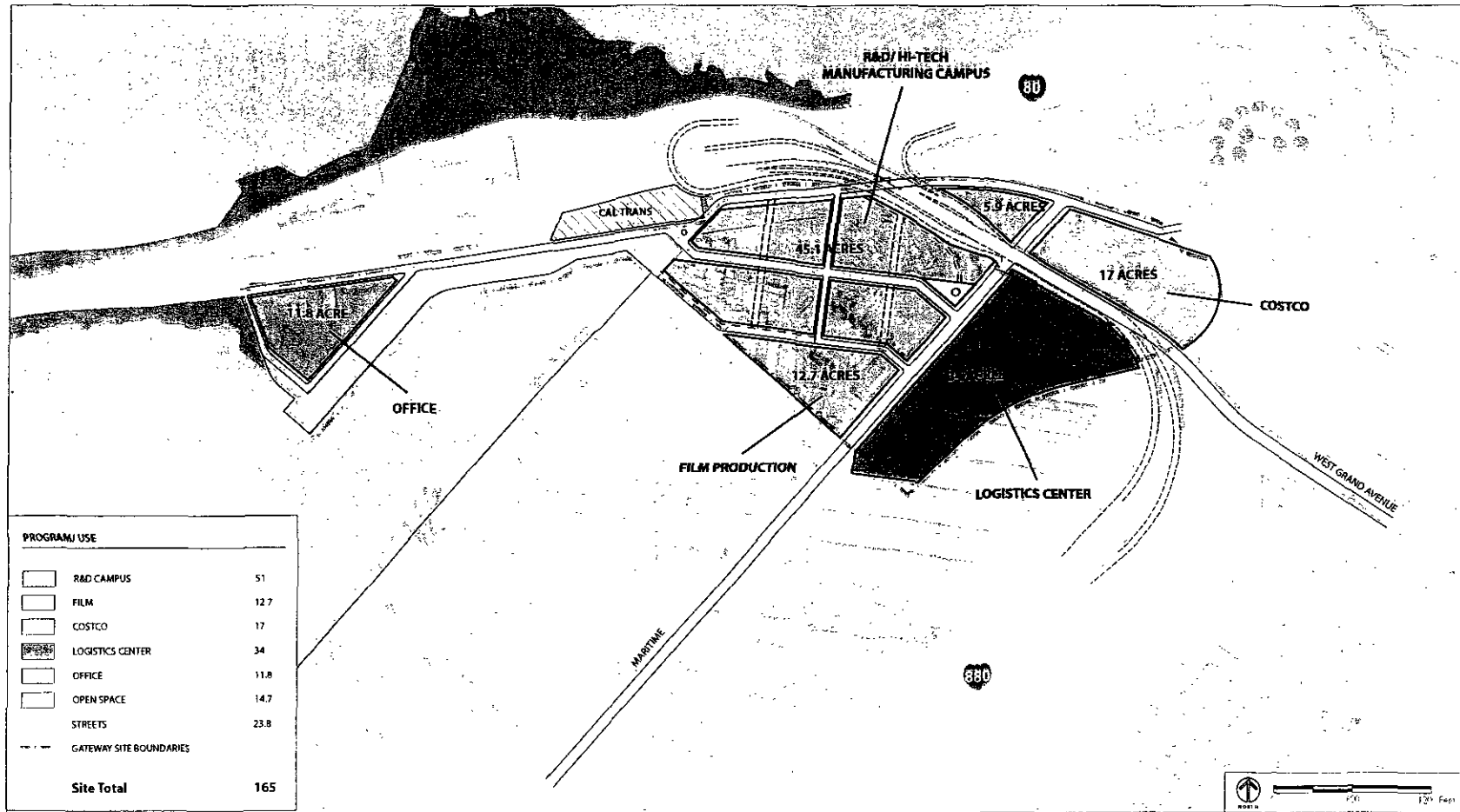
This alternative also includes the Costco store on the Subaru site in the North Gateway area. A 12.7 acre film production area that could include warehousing for props and production equipment, a sound-stage or production facility, and other film industry support facilities is also proposed.

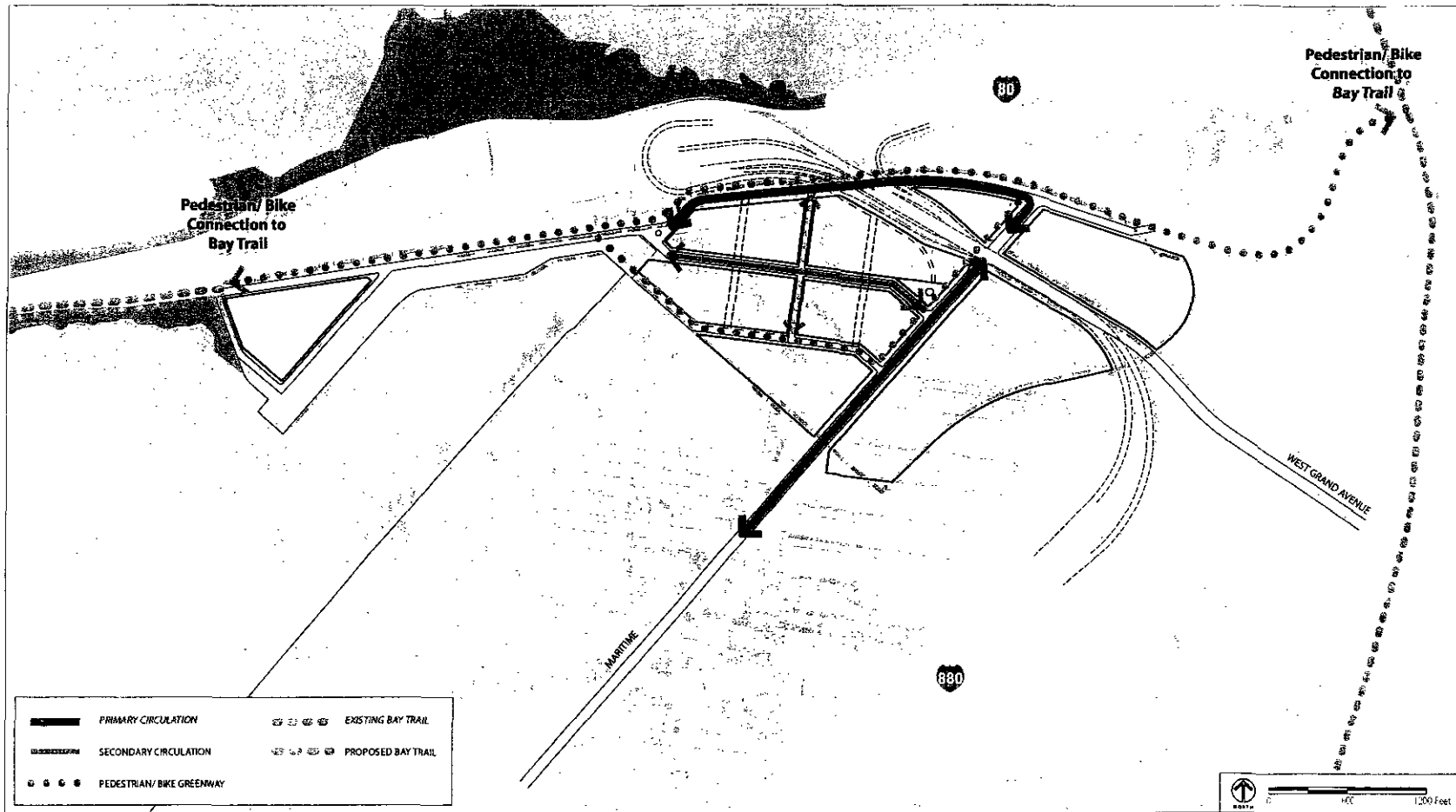
Similar to Eco-Oakland, the West Gateway would contain office uses, which could relate to the research and development area. Although planning is very preliminary for this site due to its longer development timelines, the plan envisions an office tower providing an iconic statement for the "gateway" to Oakland from the Bay Bridge.

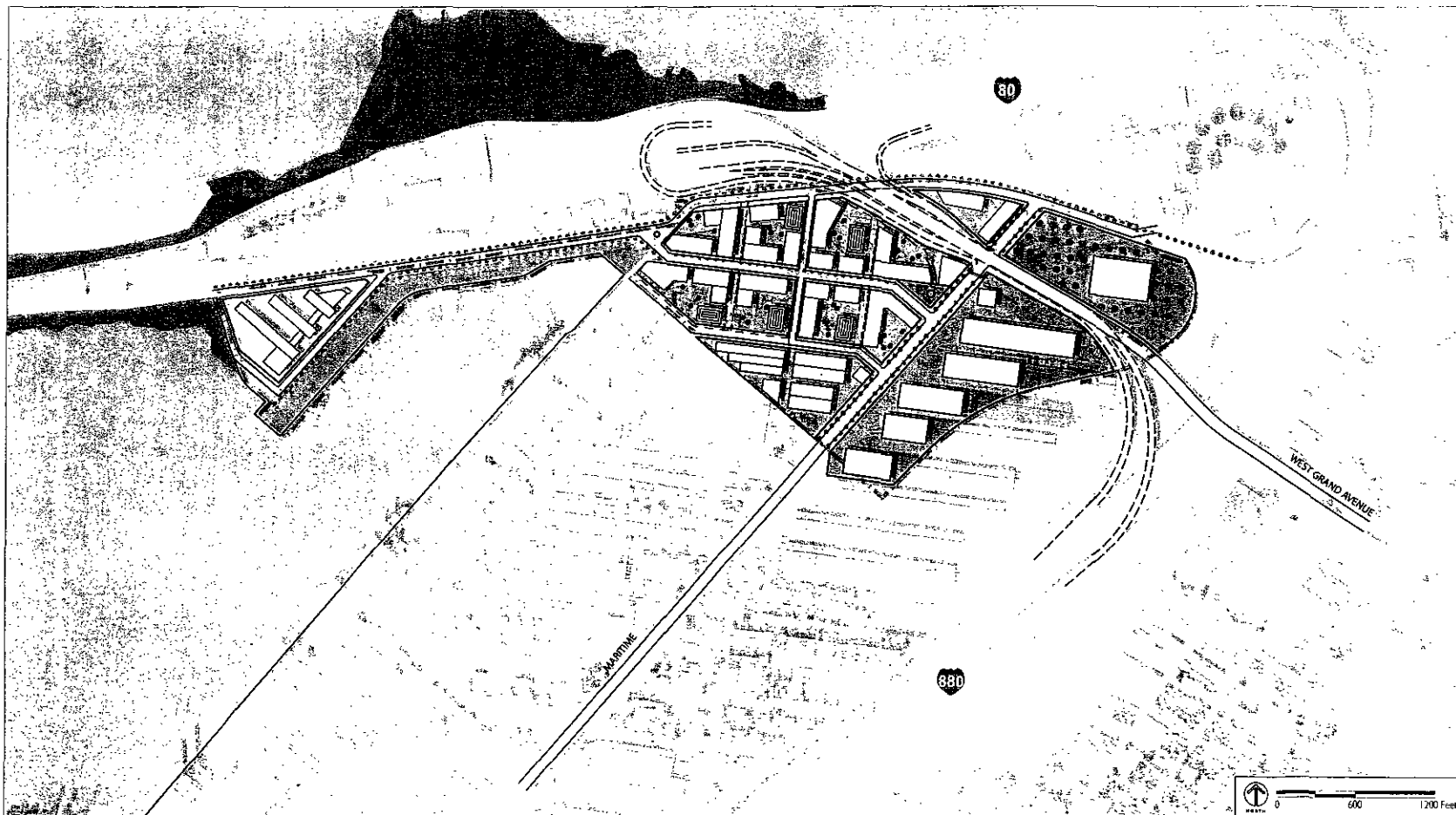
2. Circulation and Urban Design

The existing warehouse buildings on the site serve as the organizational element for the circulation plan. Though the warehouses may eventually be removed, there is also the opportunity to reuse these buildings in the short term. Therefore, the street layout and circulation accommodates and serves the buildings. This orientation also sets up a "main" street through the research and development area that is on line with the waterfront open space thus allowing the open space to connect through the R&D campus.

This alternative does not include the loop road as envisioned in the previous alternatives. Alternative access to the research and development area is provided through secondary roadway along the north edge of the site that connects back to the north side of Maritime on Wake Street. Figures 4-8 and 4-9 show the circulation system and the illustrative site plan of this alternative.







D. Alternative 4 - Movie Production Park

This alternative provides a home for the proposed film production park and entertainment complex currently the subject of discussions between the City and a major film production company. Plans for this use are very preliminary and, since it forms the core of this use, this alternative has not been developed to the same level of detail as the first three alternatives.

1. Land Use

Figure 4-10 depicts the organization of land uses in the Movie Production Park alternative. At approximately 78 acres, the film production park is the major use on the site. Details on the program for this area, internal configuration, and densities would be developed at a later date. Additional film production support is also included in the North Gateway area at approximately five acres.

This alternative also includes the Costco store in the location currently under negotiations and 16.5 acres of hotel/residential/fractional ownership units in a combination of the West Gateway site as well as a portion on the Central Gateway area.

Trucking support services of approximately 15 acres are sites adjacent to the future Joint Intermodal Terminal. As in the Destination Oakland alternative, this could include maintenance, parking, and other facilities that support trucks accessing the Port of Oakland, and would fulfill the BCDC requirements for 15 acres of ancillary port uses.

2. Circulation and Urban Design

The Movie Production Park alternative also makes use of a loop road along the northern and eastern edges of the property. This road allows truck traffic to access the Port without traveling on Maritime Street through the center of the site and also allows the film production park parcel to remain as one large parcel. Future decisions about internal circulation within this parcel could still be made but they are not predicated on providing truck access to the Port. The loop road also provides a boundary and buffer between the truck support services area and the film production park with the potential for access directly from the loop road, into the trucking support service area. The circulation diagram is shown in Figure 4-11.

E. Next Steps

A forthcoming section of this report will present a qualitative and quantitative analysis of the development alternatives, based on the economic, environmental and social equity criteria presented in Chapter 2 of this interim report. The analysis will allow policymakers to compare alternatives across a number of variables and understand the advantages and disadvantages of each alternative relative to one another.

As described in Chapter 2, the evaluation criteria are linked to key goals and objectives for the site and for the City of Oakland as a whole, as articulated by city policymakers and through interviews with other stakeholders. For example, the analysis will help answer questions such as:

- ♦ How many jobs will each alternative generate per acre? How many living wage jobs will be generated by each alternative? Do the alternatives create opportunities for local hiring?
- ♦ How much sales tax and property tax will be generated from each alternatives?

- ♦ Will the market support each alternative in both the short-term (through 2010) and the long-term (after 2010)?
- ♦ Will a public subsidy be required for each alternative to prepare and market the site to potential developers?
- ♦ To what extent does each alternative minimize environmental and transportation impacts in the surrounding area?

Once this analysis is finalized, it will be incorporated into the final version of the report.

