

CITY OF OAKLAND
AGENDA REPORT

2011 SEP 16 AM 9:26
TO: Office of the City Administrator
ATTN: Deanna J. Santana
FROM: Community and Economic Development Agency
DATE: September 27, 2011

RE: A Report And Possible Action On The Community And Economic Development Agency Director's Economic Development Strategy For The City Of Oakland

SUMMARY

This report provides a brief overview of the Community Economic Development Agency's (CEDA) economic development approach and efforts. While the City of Oakland has not adopted a comprehensive Economic Development Strategy for some time, the Oakland Partnership Program, a public/private stakeholder-driven strategy, has guided key economic development initiatives.

Overall economic development programs across the nation have been challenged to remake themselves around the fundamental changes in the economy, affect of technology, demand for a skill- based workforce and increasing global integration. The need for a comprehensive strategy to provide a going-forward framework to set priorities, align resources, and guide day to day work on a citywide basis has become more evident as resources are limited by the global economic recession, limited economic development resources, as well as the changing economy and market place.

Oakland is positioned for great opportunities in the regional and global economies. An updated focused and aggressive economic development framework and approach can position the City to become a forerunner in key innovative economies; maximize its limited economic development resources by building upon the city's strengths and position the City for long term sustained economic success and major job creation.

Staff is recommending that City leaders engage in a discussion about Oakland's economic development strategic vision and goals. The urgency is evident but the need to be more strategic, focused and creative is critical.

Staff recommends that the City Council direct staff to prepare a detailed report outlining recommendations for the development of an updated Economic Development Strategy that promotes increased revenues for the City, creates job opportunities for Oakland residents and enhances Oakland's competitive long term success through public and private investments. Many of CEDA's current initiatives are appropriate and add to Oakland's long term success; therefore, staff is not suggesting that a *new* Economic Development Strategy is required but that

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the City develop and adopt an aggressive focused Workplan that advances the City's economic development goals.

Staff is proposing to return to the City Council with a proposed framework to develop the updated Economic Development Strategy. This framework will include meetings with various stakeholders, review of current efforts, the realignment of resources, and recommendation of new initiatives that can be implemented over the next five years.

FISCAL IMPACT

This is an informational report, thus there is no fiscal impact.

BACKGROUND

A vital economy is essential to ensure a quality community for the residents and businesses of Oakland. All agree that an economic development strategy should promote stable economy through business development, improve the quality life for residents; and enhance revenue growth to fund City services. The following economic vision and mission have driven CEDA's economic development efforts to date.

Oakland's Economic Vision

Oakland is recognized as a city of business diversity and innovation – a global, regional and local economy that promotes entrepreneurship, values its historical industrial businesses, and welcomes creative developing industries. Oakland is recognized for its business friendliness and its efforts to promote regional economic development.

Economic Development Mission

To foster a vibrant, innovative, sustainable, and globally competitive economy that increases investment in Oakland in a way that contributes to the prosperity of businesses, the growth of the City's economy and the economic opportunities of its residents; and to foster an environment that stimulates the retention, expansion and attraction of businesses, that accelerates private investment, promotes the diversity of Oakland's tax base, and enhances and expands Oakland's workforce opportunities.

CEDA's Current Economic Development Approach

CEDA's current approach is focused on meeting its three core economic development goals through a strategic project-based approach, focusing on master developments that can create multiple benefits and opportunities for job creation and revenue generation.

- a. **Build a Sustainable Economy by supporting Business Growth:**
- Implementation of the Oakland Partnership Cluster Strategy to Target companies within specified industry clusters (high growth, well-paying sectors)
 - Health Care & Life Sciences
 - Logistics & Distribution
 - Green & Clean Technologies
 - New Digital Media
 - Retail
 - Manufacturing & Production
 - Development and implementation of key business development initiatives
 - Supporting Oakland's large existing employers as well as supporting small business development/growth of entrepreneurship
- b. **Build and Enable a Business-Friendly Environment:**
- Brand and Market Oakland to businesses, investors and public
 - Improve City responsiveness to the needs of businesses – goal is to remove unnecessary barriers that impede economic growth
 - Prioritize and develop key business requirements such as Workforce Development programs; business development services, such as technical assistance and access to capital
 - Prioritize public/private partnerships
 - Increase Oakland's presence in the regional, state, national and international markets
- c. **Guide Development of Catalyst Areas & Projects:**
- Prioritize new or redevelopment projects that offer catalytic opportunities that leverage investment in improving or expanding Oakland's physical infrastructure
 - Improve physical infrastructure for business activity by promoting capital improvements to city's physical infrastructure
 - Identify and develop strategies and funding mechanisms that address Oakland's infrastructure needs, especially for targeted companies

CEDA's Strategic Development Approach:

These core economic development principles serve as the basis for the following master economic/redevelopment projects currently under development:

- Focus and maximization of Oakland's regional venues
- Focus on major citywide retail development projects
- Focus on the integration of Workforce Development and Economic Development
- Incorporating Economic Development principles into Redevelopment projects
- Developing and implementing new Business Development initiatives

Staff will present a detailed overview of these projects at the Committee meeting. The focus of this report is to present a general outline of the steps to move forward in refining Oakland's Economic Development Strategy.

Recommendations:

To refine Oakland's Economic Development Strategy, staff is recommending that CEDA, in conjunction with the City Administrator's Office, develop a Workplan that will include:

- Development of a work plan, including the identification of resources to support:
 - A review of key Oakland economic indicators
 - A review of current economic development efforts
- Focused meetings and discussions with key stakeholders, including Council members, businesses, merchants, and City residents and staff
- A review of best practices
- Presentation of the Economic Development Strategy to the City Council for formal adoption, including an implementation plan with appropriate resources.

SUSTAINABLE OPPORTUNITIES

Economic: This report presents the need for a review of Oakland's Economic Development Operational Framework, requests direction on how to strategically focus and coordinate the efforts to support a robust economy.

Environmental: Enhancing and growing sustainable businesses in Oakland is one of the key principles.

Social Equity: Increasing the quality of life and creating sustainable jobs and business opportunities for Oakland residents is a guiding principle.

DISABILITY AND SENIOR CITIZEN ACCESS

There are no ADA or senior citizen access issues in this report.

RECOMMENDATIONS

Staff recommends that the City Council approve the following recommendations:

1. Accept Staff's recommendation to prioritize the development of an updated Economic Development Framework to guide efforts over the next five years.
2. Provide input and policy regarding a strategic action plan for economic development. City Council guidance and policy direction will enable staff to focus its efforts and resources on projects, programs, and initiatives that will have the greatest impact on Oakland's economy and business climate.

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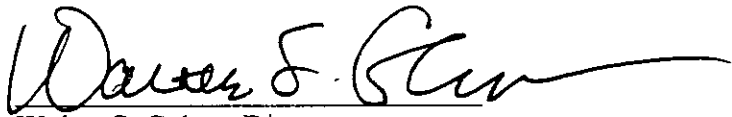
3. Direct the City Administrator to return to the City Council with a detailed Workplan and Budget to develop an updated Economic Development Strategy.

ACTION REQUESTED OF THE CITY COUNCIL

Staff requests that the City Council take the following actions:

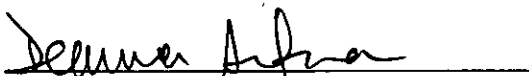
1. Provide staff with feedback and policy direction to guide the development of a strategic action plan for economic development; and
2. Direct the City Administrator to return to City Council with fully developed plans and recommendations for implementing updated Economic Development Framework & Strategy

Respectfully submitted,



Walter S. Cohen, Director
Community and Economic Development Agency

APPROVED AND FORWARDED TO THE
COMMUNITY AND ECONOMIC DEVELOPMENT COMMITTEE:


Office of the City Administrator

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