

CITY OF OAKLAND

AGENDA REPORT

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TO: Office of the City/Agency Administrator
ATTN: Deborah Edgerly
FROM: Community and Economic Development Agency
DATE: October 23, 2007

RE: **Report on the Development of a Land Use Strategy for the Gateway Development Area of the Former Oakland Army Base and Request for Direction on the Development of Ancillary Maritime Service Uses in the East Gateway**

SUMMARY

The Oakland Army Base provides a unique opportunity to produce significant high-quality jobs, large-scale development, and community benefits for Oakland. However, it has become increasingly difficult to proceed with any further projects on the Army Base until an overall development strategy is crafted. This report lays out options for developing a guiding vision and strategy for the Army Base. At this time, staff is recommending that the Agency:

1. Approve the Mixed-Use Oakland Alternative (Alternative #4) as the development strategy for the Army Base. This proposed strategy envisions the Army Base as a mixed-use center of trade, logistics, and maritime industries (41 acres); flex office and "creative industries" (28 acres); regional retail (23 acres); and a freeway auto mall (24 acres).
2. Authorize staff to solicit proposals to develop East and Central Gateways through a combined Request for Qualifications (RFQ) and Request for Proposals (RFP) process. Under the proposed RFQ/RFP process, staff would have interested developer teams submit information on their qualifications, as well as general information on their project concept. Finalists would be selected and invited to prepare detailed proposals. The proposals would be evaluated by Agency staff and consultants, and then presented to the Agency Board. The RFQ/RFP will be based on a vision statement and general objectives as set forth in this staff report.

FISCAL IMPACT

This report describes four potential development concepts, all of which would require significant funds for infrastructure and site preparation. However, these costs have not been estimated during this early conceptual phase in planning for the Army Base. The four development concepts each provide the opportunity for significant revenues and job creation, which are summarized in Table 1 below. Under the proposed planning process for the Army Base, specific projects would be brought forward to the Agency and the fiscal impacts would be analyzed at that time. The costs for infrastructure could be funded through land sale proceeds, as well as federal and state grant funds.

Item: _____
CED Committee
October 23, 2007

BACKGROUND

In 1999, the U.S. Army shut down operations on the Oakland Army Base. The Oakland Base Reuse Authority (OBRA) took control of the site and performed some of the initial site planning and site preparation. On August 7, 2006, OBRA conveyed the former Army Base to the Redevelopment Agency and the Port of Oakland. The Redevelopment Agency's portion of the Army Base is a 165-acre site known as the "Gateway Development Area" (GDA). For planning purposes, the GDA is divided into four subareas: the North, East, West, and Central Gateway areas (see map, Attachment A).

Previously, the Agency approved Exclusive Negotiating Agreements (ENAs) with the Wayans Brothers and with Oakland West Wind, LLC. However, these ENAs did not result in any viable proposal, and the Agency has terminated all ENAs, leaving the GDA available for development.

In May 2007, the Agency directed staff to complete a comprehensive land use planning process, using existing studies that have been undertaken over the past five years, and to return to the Agency Board with recommendations on the development strategy for the GDA. This report discusses the land use issues facing the GDA, outlines four possible development scenarios, and presents a recommended strategy for development.

1. Site Assets

Located at the foot of the Bay Bridge, the GDA is central to the entire Bay Area. It has a prominent waterfront location, and it offers direct freeway visibility and access from I-80, I-580, and I-880. With its large, open areas of land, the GDA can attract large-scale developments (e.g., industrial, office, and/or retail centers) that have eluded Oakland in the past. Thus, the GDA provides a unique development opportunity that could yield significant high-quality jobs, support and enhance Port activities, provide a place for new industries, create new access to and open space along the Waterfront, and generate other community benefits for Oakland.

The GDA has received strong developer interest from a variety of private sector entities. Over the past year, staff has received a wide variety of unsolicited proposals and general inquiries concerning the GDA (see list, Attachment B).

2. Site Constraints & Obligations

The GDA has many physical challenges, real estate restrictions, and other issues that will make development extremely complex, expensive, and long-term. Some of the major issues include:

- a) **Infrastructure.** All existing roads and utilities must be replaced to service the 165-acre area.
- b) **Soil Conditions.** The GDA was built on filled land and has issues with subsidence and liquefaction. As a result, new soil must be added on some parts of the GDA. Multistory buildings may need piles or other costly foundation systems to meet seismic safety standards.

- c) ***Environmental Remediation.*** OBRA and the Port completed the environmental survey and testing of the GDA, and completed the remediation of several contaminated areas within the GDA. Contaminated soils are known to exist in several other areas in the GDA, but it is most cost-effective to clean these sites at the same time that development starts construction. The City/Agency is ultimately responsible for the environmental remediation of the GDA, and funding has been reserved for this purpose in the FY 2007-09 Oakland Army Base Redevelopment budget.
- d) ***Port Construction Easement.*** The Port has easement rights in the Central Gateway, to provide them with access during the construction of the adjacent Berth 21 project.
- e) ***EIR Mitigation Measures.*** The 2002 Environmental Impact Report (EIR) for the Oakland Army Base Redevelopment Area identified several mitigations that must be carried out at the time that the GDA is developed. For example, the EIR identifies traffic improvements that must be built and funded on a fair-share basis by the Port and the City/Agency. Other mitigations address air quality, cultural resources and historic preservation (see below), and the impacts of trucking in West Oakland. Attachment B includes a comprehensive list of these mitigations.
- f) ***Historic Preservation.*** The East Gateway includes several large warehouse structures that fall within a historic district. The 2002 EIR included a comprehensive analysis of the historic preservation issues associated with these buildings. Under the mitigations required by the EIR, the City/Agency cannot remove any of the buildings until it has an approved project for the East Gateway and completes a study to determine the feasibility of preserving and reusing the buildings (see Attachment B). Working with the Port, staff has completed a consultant study and determined that, although it is *physically* possible to reuse the buildings, more analysis is required to determine if it is *economically* and *practically* feasible to preserve these buildings for the specific uses that are finally approved. However, more analysis is required to determine if it is *economically* feasible to preserve these buildings. In addition, staff is working with the Port to determine how building materials from the warehouse structures may be reused.
- g) ***Adjacent Uses:*** The GDA is immediately surrounded by freeways, rail, the Port, and an EBMUD wastewater treatment plant. The mix of uses within the GDA must be considered and sited with care, in order to minimize potential land use conflicts.
- h) ***Existing Development Obligations.*** Four development obligations already exist for the GDA:
- ***Existing Army Base Tenants.*** Several organizations have short-term leases to use the Army Base property on an interim basis, until a long-term development plan is implemented. These users include seven logistics companies and a collaborative of 16 film production firms. The Agency is under no obligation to extend any of these leases. However, the Agency has an interest in making sure that these small local businesses are retained in

Oakland and have the opportunity to relocate in an orderly manner at the time that the Army Base is developed.

- **Freeway Auto Mall.** The Agency plans to create a freeway auto mall within the 28-acre North Gateway section of the GDA. The so-called “Bay Bridge Auto Mall” will include six dealerships. Staff is in the process of finalizing development agreements with the following dealerships: BMW, Chrysler-Jeep-Dodge, General Motors, Nissan, Volvo, and Porsche.
- **JATC Facility.** The Bay Area Joint Apprenticeship Training Committee (JATC) is a nonprofit organization that provides job training in construction and other trades. As part of the overall conveyance of the Army Base, JATC received the right to three acres within the GDA for the purpose of building a job training facility.
- **15 Acres of Ancillary Maritime Support.** The San Francisco Bay Conservation and Development Commission (BCDC) requires the Agency to develop 15 acres of Ancillary Maritime Support (AMS) uses in the East Gateway. This development is discussed in the companion report: “Report on the Results of a Request for Proposals (RFP) to Develop 15 acres of Ancillary Maritime Support (AMS) Uses in the Former Oakland Army Base” (CED Committee, 10/23/07).

3. Previous Analysis of Oakland Army Base

During the past seven years, there have been several public planning efforts that examined the potential reuse of the Army Base:

- In June 2000, the City Council approved the Redevelopment Plan (and the Five-Year Implementation Plan) for the Oakland Army Base Redevelopment Project Area.
- In July 2002, the Planning Commission certified a comprehensive Environmental Impact Report (EIR) for the Oakland Army Base Redevelopment Project Area. A Supplemental EIR was certified in 2006.
- In July 2002, OBRA adopted the “Gateway to the East Bay: Final Reuse Plan for the Oakland Army Base.” The Reuse Plan proposed a mix of light industrial, commercial, office, research and development, warehouse and distribution, transportation, hotel, and retail uses for the Base – an approach referred to as the “Flexible Alternative.”
- In 2005, OBRA commissioned a comprehensive analysis of the GDA, using the consulting firm of Design, Community & Environment (DC&E). DC&E was asked to study the economics and market feasibility of various uses in the GDA, and to prepare conceptual site plans illustrating how and where the most promising uses could be developed. This effort was undertaken in anticipation of the transfer of land to the

Agency and the need to undertake preliminary infrastructure planning. DC&E's Draft Report was presented to Council in May 2005.

KEY ISSUES AND IMPACTS

Per the Agency Board's direction of May 15, 2007, staff used the existing planning studies mentioned above – in particular the OBRA Final Reuse Plan and the DC&E Draft Report – to develop a comprehensive vision and land use strategy for the GDA. In order to update and complete the existing analysis, staff undertook several activities, including:

- Additional market analysis to assess current economic conditions.
- A series of six community workshops (held from February to August 2007), sponsored by the West Oakland Community Advisory Group (WOCAG) and attended by a wide range of stakeholders.
- Coordination with the Chamber of Commerce to incorporate concepts from the Oakland Partnership and the Chamber-sponsored report "Taking Stock of Oakland's Economy."
- Analysis of traffic engineering, infrastructure planning, environmental issues, land use synergies/conflicts, historic preservation, and other issues by in-house staff and existing consultants.

Using the information gathered from these activities, staff worked with DC&E to complete and update their 2005 Draft Report. The result is a Final Report that examines four possible development scenarios, which are discussed below and which appear as Attachments C, D, E, and F to this report. The complete 2007 DC&E Final Report, "*Pre-Development Planning for the Oakland Army Base Gateway Development Area, Final Report*" is included in Attachment G.

1. City/Agency Goals

In order to assess the various development options, it is important to refer to the policy goals that the Agency Board set for the GDA. These goals would also serve as selection criteria in the event that the Agency issues a RFQ/RFP to solicit developers.

- Gateway Development.** The GDA has one of the most visible locations in the entire East Bay, with a dramatic waterfront location at the western entrance to Oakland. For this reason, the GDA should become an iconic development that symbolizes the vitality and culture of Oakland. This will require an integrated village of robust economic uses, good urban design, and stunning architecture. Using these elements of high quality development, the GDA can help to improve the city's image and create business opportunities throughout Oakland.
- Job Creation.** The GDA affords the opportunity to create high-quality jobs in strategic industries that are expected to grow over time and that provide a range of jobs that fit with the varying workforce skills of Oakland residents.
- Community Benefits.** The GDA should be developed in a way that provides real, long-term benefits to the West Oakland community and to residents throughout

Oakland. Depending on how the GDA is developed, it could create new job opportunities for local residents, business opportunities for local businesses, and/or amenities (such as shopping and open space) for the West Oakland community.

- d) ***Coordination & Support for Port Projects.*** The Port provides an important economic engine for Oakland, and its long-term competitiveness should be supported. The Port has received over 700 acres of former military land (i.e., the Navy's Fleet and Industrial Supply Center and Oakland Army Base) which the Port is using to modernize and expand its operations. The City/Agency should consider the Port's needs when determining the strategy for the GDA. At the same time, it is reasonable to ask if the Port is making the most efficient use of its own land, and if it could provide more land for logistics, trucking, and other key industries.
- e) ***Government Revenue.*** The GDA is anticipated to generate significant revenue from property tax increment, sales tax, and land sale proceeds. As discussed below, different land uses will generate various levels of land value and tax revenues.

2. Potential Land Uses

Initially, DC&E looked at over 25 different potential uses, including various types of office, hotel, research & development (R&D), retail, logistics, trucking, maritime, and green industries, as well as film production, produce distribution, and other types of uses (see Attachment G). Based on DC&E's analysis, as well as input from business and community members, the list of uses was refined to focus on the most feasible and economically beneficial uses, notably:

Logistics and Maritime-Related Industries

Logistics and Maritime-Related Industries include trucking, warehousing, trans-load facilities, and other industries that relate to the distribution and movement of goods to and from the Port. This sector is a growing, strategic industry that plays to Oakland's strengths and offers significant opportunities to support Port expansion and create high-quality jobs. Yet currently, the logistics sector in Oakland is operating far below its ideal capacity, which results in missed economic opportunities and revenue for the Port.

As more and more goods are being manufactured overseas, there has been an increase in the volume of goods that need to flow through West Coast ports in order to reach the U.S. market. This activity has created new business opportunities for logistics centers, trans-load facilities, warehouses, and other industries that are involved in the processing and movement of goods.

As the amount of imported goods increases, traffic has increased on the network of railways and freeways that extends from the Port through the East Bay. Unfortunately, Bay Area freeways are already serving at or near capacity, and there are limited funds available to improve them. The State of California's "Goods Movement Study,"¹

¹ The Goods Movement Study is available at: <http://www.mtc.ca.gov/pdf/rgm.pdf>

examines this issue and provides several recommendations for improving the transportation infrastructure.

Retail

Since the 1970s, Oakland has gone through many efforts to attract a regional retail center, in order to improve the livability and shopping amenities for Oakland residents, as well as to generate jobs and sales tax.

The GDA offers a rare opportunity to attract regional retail, due to its large open parcels, central location, and freeway visibility and access. Regional retail would have a direct synergy with the freeway auto mall, because both developments draw from the same sized trade area (i.e., 10+ mile radius) and would target the same demographic of shopper. Retail would also provide the amenities needed to attract office workers to the area (see discussion below on “Creative Industries”).

Due to retail sales trends and the GDA’s freeway visibility, DC&E concluded that the GDA would be viable for big box retail. This seems consistent with market trends, since several big box retail developers and tenants (e.g., Costco) have expressed interest in the GDA. Unlike the smaller, lifestyle retail that is being targeted for Downtown Oakland and for several neighborhood commercial areas, big box retail is characterized by freeway-oriented sites, auto-based layouts, large format stores (40,000 to 150,000 square feet), value-oriented merchandise, and a low floor-to-area ratio (note: even the most densely designed big box centers rarely achieve more than a 1.25 FAR, and a far more typical FAR would be in the range of 0.25 to 0.50).

In addition, DC&E found that there may be opportunities to attract lifestyle retail to the GDA. Lifestyle retail creates a themed, pedestrian-oriented retail experience that emphasizes food, fashion, entertainment, and other retail. However, locating lifestyle retail in the GDA would likely conflict with the City/Agency’s plans to pursue lifestyle retail on various opportunity sites along the Broadway corridor, from Jack London Square to Broadway Auto Row, as recently presented in the Retail Strategy Status Report. Thus, it appears that any retail development in the GDA should focus on big box, although there may be opportunities to add a lifestyle component as a minor, secondary component to the development.

“Creative Industries”

DC&E has identified a variety of emerging industries that all demand a similar type of flex office space. These industries include biotechnology, life sciences, film production, multimedia, high technology production, green industries, and other industries that involve creative and technology-oriented work taking place in large, open, flex office or light industrial spaces. Several of these industries are experiencing robust growth with great potential for the future. Furthermore, Oakland may be able to establish a sustainable competitive advantage in attracting and retaining these industries, due to Oakland’s proximity to U.C. Berkeley and other major scientific, medical, and research

institutions; its central location with available land; and an existing infrastructure of professionals and small businesses involved in green industries, film production, and other creative industries.

3. Development Scenarios

DC&E experimented with combining these uses to create development scenarios for the entire GDA. In developing these scenarios, DC&E assumed that:

- The North Gateway would be developed as a freeway auto mall, as approved by the Agency in December 2006.
- A shoreline park would be developed along the waterfront area located on the West Gateway and abutting the Central Gateway, based on State Lands Commission requirements.
- At least a portion of the East Gateway would need to be reserved for Ancillary Maritime Support (AMS) uses, based on BCDC requirements.
- The West Gateway has the most visible, dramatic, and water-oriented location within the GDA, and thus it presents a special opportunity for signature architecture.
- Maritime Street would remain in its current configuration, due to cost constraints.
- The northernmost portions of the GDA create opportunities for uses that demand freeway visibility, while the southernmost portions of the GDA create opportunities for uses that interact with the Port.

One of DC&E's major findings is that, although the GDA has 165 acres, it is surrounded by so many potentially conflicting uses – e.g., freeway, railroad, wastewater treatment plant, etc. – such that there is a surprisingly limited opportunity for the GDA to create its own internal environment. Consequently, it becomes extremely important to concentrate on a few carefully-chosen land uses that support each other, avoid conflicts, and achieve synergies. After experimenting with several combinations of land uses (and looking at model developments in other cities), DC&E proposed the following four development scenarios as having the best chance for success:

- **Alternative 1: “Eco-Oakland”** – focuses on providing flexible land uses that support the economic development initiatives of the City and support the Port's expansion plans. The Central and East Gateways would focus on logistics and maritime-related industries (56 acres) and an industrial park targeting green industries (32 acres). The West Gateway would include 12 acres of office development (see Attachment C).
- **Alternative 2: “Destination Oakland”** – envisions a signature retail destination for Oakland and Bay Area residents that capitalizes on the 260,000 cars per day that pass the GDA on I-80, as well as the regional customer base attracted to the auto mall. The regional shopping center dominated by “big box” stores but also including a limited number of restaurants and other smaller shops that are usually associated with lifestyle retail centers (42 acres). Other uses include flex office logistics and maritime-related

uses (29 acres), flex office targeting creative industries (11 acres), and a future destination hotel in the West Gateway (see Attachment D).

- **Alternative 3: “Gateway Oakland”** – capitalizes on the GDA’s high visibility and access to transportation to attract advanced technology industries seeking a location with “branding” opportunities, such as research and development, bio-manufacturing and higher-wage retail. The Central and East Gateways would include a R&D campus (45 acres), a flex office campus for film production or other creative industries (11 acres), logistics and maritime-related uses (32 acres). The West Gateway would include 12 acres of office development (see Attachment E).
- **Alternative 4: “Mixed Use Oakland”** – incorporates the strengths of the other development alternatives in a plan designed for maximum utilization of the site’s benefits and its potential to capture the most viable market uses, providing a combination of logistics and maritime-related uses (41 acres), a smaller but significant regional shopping center (23 acres), and flex office and creative industries focused on two separate campuses (in the Central and West Gateways) with a combined area of 28 acres. The flex office development in the West Gateway would also feature a destination hotel (see Attachment F).

The potential economic and community benefits of each scenario are discussed in Chapter 5 of the DC&E Final Report (see Attachment G) and are summarized in Table 1 below:

Table 1: Community Benefits Generated by Development Scenarios

Community Benefit	Eco-Oakland	Destination Oakland	Gateway Oakland	Mixed-Use Oakland
Total Jobs	4,200	6,700	9,700	8,300
Total Payroll	\$259,000,000	\$303,000,000	\$607,000,000	\$479,000,000
Living Wage Jobs	High	Moderate	High	High
Tax Revenues (per year)	\$10,600,000	\$26,100,000	\$13,200,000	\$18,000,000
Gateway Development	Moderate	Moderate	Moderate	Moderate
Support & Compatibility with Port	High	Moderate	Moderate	Moderate

Based on this analysis, it appears that Alternative 4 (“Mixed Use Oakland”) would create the most compelling combination of community benefits, and at the same time have a high likelihood of feasibility, given market conditions. Therefore, staff is recommending the Mixed Use Oakland alternative.

4. Community Involvement

From February to August 2007, a series of community workshops were held to revisit and update the community discussion of the GDA. At these workshops, community members emphasized several points:

- There has already been significant community participation in developing a vision for the GDA. The earlier involvement and recommendations of community members should be respected and used in crafting a land use strategy for the GDA.
- Priority should be given to relocating trucking uses out of West Oakland to the GDA, in order to reduce pollution and other environmental impacts on West Oakland.
- The community supports a wide variety of uses for the GDA, including office, light industrial & AMS uses, and commercial. However, the GDA should not be developed on an ad hoc basis.
- The community supports retail at the GDA, as long as it is not suburban in nature and is designed with sufficient density and quality. WOCAG remains divided as to whether big box retail is appropriate for the GDA.
- WOCAG is extremely concerned about traffic and recommends the City/Agency pay close attention to implementing the required traffic mitigations called for in the EIR.

5. Planning & Implementation Issues

On October 17, 2007, staff presented the results of the DC&E Final Report to the City Planning Commission. Based on discussion at the Planning Commission, as well as other discussions that have taken place with community members, consultants, and other stakeholders, it is evident that there are several complex planning issues that must be addressed as the Agency moves forward with its development strategy for the GDA. Although these issues do not need to be resolved at this conceptual stage in the planning process, they should be identified and discussed in any RFP process. Some of the major planning issues include:

- **Land Use Conflicts & Urban Design.** If the GDA is developed with a combination of uses – for example: logistics and maritime-related, retail, auto retail, flex office and creative industries – there will be opportunities for synergies, but also the risk of land use conflicts. For this reason, special attention needs to be paid to the traffic circulation and urban design requirements of the GDA, to minimize potential conflicts and to allow a potential synergy between uses to occur. For example, retail, auto retail, and flex-office uses could be co-located in the northern portions of the GDA so that: (1) these uses can support each other by attracting shoppers and workers to the area; (2) these shoppers and workers are physically separated from the more industrial areas to the south (including, of course, the Port of Oakland).
- **Traffic Circulation.** The 2002 and 2006 EIRs for the Army Base have thoroughly addressed traffic circulation. There is a need for several intersections to be upgraded and for other traffic mitigations to be built, in order to accommodate the traffic that is anticipated. With respect to the four land use alternatives discussed in this report, they have been reviewed by both the City's traffic engineering staff and the Agency's traffic

engineering consultant – and the consensus is that all four alternatives can be made to work from a traffic safety/circulation perspective. As plans are developed, careful attention will need to be focused on incorporating traffic mitigations and also accommodating pedestrian and bicycle transit. In particular, Maritime Street will remain a busy street for truck traffic, so that the intersection of Maritime and West Grand will need to be redesigned to accommodate the confluence of truck and car traffic. The following factors must be addressed to resolve the traffic circulation issues in the GDA:

1. The developer(s) of the GDA must be required to pay a fair share of the traffic mitigations called for in the 2002 and 2006 Army Base EIRs. As mentioned above, the intersection of Maritime and West Grand will be a top priority for improvement.
 2. Special attention should be paid to the different traffic peak times generated by Port-related uses as opposed to office and/or retail uses. Currently, it appears that conflicts would be minimized due to the morning and mid-day peaks for Port trucking, versus the evening and weekend peaks associated with retail. As the Port expands, however, these patterns may change. The GDA's circulation plan should account for both current and future growth in the area.
 3. The GDA's circulation plan should give motorists multiple options for ingress and egress, so that they will be able to avoid areas of potential conflict.
- **Open Space, Waterfront & Bike/Pedestrian Amenities.** Open space is a critical aspect of the GDA's design, in order to provide amenities for workers and shoppers – and the greater West Oakland community – and to help provide a sense of place and identity for the GDA. Currently, the GDA is planned to include a 16.7 acres shoreline park linking the Central and West Gateways (see Attachment A). In addition, staff has been involved in discussions with the Association of Bay Area Governments (ABAG), Caltrans, and other agencies about the potential design of the Bay Trail being brought through the GDA. Additional open space and bicycle/pedestrian amenities are planned to be integrated into the overall plan during design development.
 - **Linkages.** The GDA must be designed in a way to enhance linkages with adjacent areas. Currently, the GDA is physically separated by rail and freeways from the rest of West Oakland, with West Grand Avenue and 7th Street being the only surface streets that access the site. As a result, it may be tempting to develop the GDA so that it is inwardly focused. However, the Agency is interested in configuring development within the GDA to provide easy public access to integrate with the waterfront (where significant parkland is being planned), and to encourage the economic activity generated within the GDA to extend into West Oakland.
 - **Architectural/Urban Design.** Due to its high visibility and status as a gateway site, the GDA should be developed with stunning architectural design and high quality building materials. Currently, the zoning for the GDA does not require design review, but staff recommends that the Agency establish a design review requirement for all new

development in the GDA. In addition, urban design standards and requirements for the public realm improvements (streets, sidewalks, streetlights, landscaping, benches, etc.) must be designed to unify the site and establish an iconic character for the GDA.

6. Next Steps: Proposed RFQ/RFP Process

After the Agency makes a decision on its overall vision and land use strategy for the GDA, the next step will be to direct staff to initiate a competitive process to solicit potential developers. Staff has already received a number of unsolicited proposals (see Attachment B). However, in order to identify the best deal for the Agency, and to promote a fair, open process, staff recommends that the Agency solicit proposals through a combined Request for Qualifications (RFQ) and Request for Proposals (RFP) process.

Under the proposed RFQ/RFP process, staff would ask interested developer teams to submit information about their qualifications, as well as general information about their project concept. Finalists would be selected and then invited to prepare detailed proposals. The proposals would be evaluated by Agency staff and consultants, and would then be presented to the Agency Board. The Agency Board would be asked to approve one or more of the proposals for development of the East and Central Gateways of the GDA.

The combined RFQ/RFP approach is recommended because: (1) it allows staff to quickly identify qualified developer teams who are interested in submitting proposals for the GDA; (2) in the second phase of the process, the selected finalist teams would have a reasonable period of time to analyze the complex site issues facing the GDA, which would allow them to prepare realistic and detailed proposals; and (4) the Agency Board would be able to consider a range of detailed, realistic proposals for the GDA, prior to any decisions being made about a potential ENA.

The RFQ/RFP would be based on the land use strategy approved by the City/Agency, as well as the policy goals and criteria discussed in this report. In addition, staff recommends that the following vision statement and development principals (or others as proposed by the City Council) be included in the RFQ/RFP to set the framework for the redevelopment of the GDA:

Vision for the Gateway Development Area:

The Gateway Development Area will establish a new mixed use commercial-industrial-recreational area of Oakland. It will reinforce the strategic location of Oakland as the regional center of the East Bay and affirm the historic and continuing importance of rail, roadway and water access to the site. Rather than look upon the convergence of the various land uses and activities as a limitation, the new development will look at surrounding Port and transportation infrastructure as advantages to be used to visually and economically revitalize the area outward. In addition to the open space network and linkage to the Bay Trail and other waterfront parks, the rich cultural and historic fabric of the site will give renewed importance to the former Army Base and the larger Oakland and Bay Area community. A diverse mix of activities will further revitalize this formerly

isolated part of the City with a sufficient intensity to create a regional center and new gateway. Most importantly, the mixture of activities and high quality of development will serve to redefine this key area for dynamic new industries and business, thereby broadening the employment base of the City for the future.

Urban Design and Planning Principals for the Gateway Development Area:

Urban Design

1. *Maintain and enhance public views to the water while respecting Port activities.*
2. *Require a strong set of public realm improvements, including roadway design, pedestrian paths, plazas, public landscaping, etc., that reflect both the historical characteristics and the new set of uses. Reuse of buildings or components of buildings on the site is strongly encouraged.*
3. *Provide a range of commercial, recreational, cultural and new business activities that reinforce the destination/gateway quality of the site and provide a complimentary set of land uses that create synergy.*
4. *Configure and design buildings to spatially define and reinforce the industrial character of the area and to strengthen the urban design character of the streets and open spaces.*
5. *Introduce ground level commercial activities that are directly linked with open space, recreational and work spaces, to encourage pedestrian circulation and activity.*
6. *Develop a strong, dynamic composition of taller and shorter buildings that provide new identity for the area, take advantage of its location at the foot of the Bay Bridge and acknowledge the transportation related uses that surround it (rail, water and roadway.)*

Economic Development & Industrial Support:

7. *Support industrial businesses as key economic development components of the Gateway Development Area.*
8. *Provide a broad range of high quality jobs that benefit Oaklanders and offer a living wage.*
9. *Continue an ongoing collaboration with all major stakeholders, including the Oakland Partnership, Chamber of Commerce, West Oakland groups, and others.*
10. *Lead the nation in achieving green development. This is achieved both by targeting green businesses and by incorporating green development practices into general retail, office, and R&D development.*
11. *Over time, maintain a dynamic and fluid plan in order to respond to changing market conditions, the evolving needs of the Port of Oakland, and with an emphasis on minimizing land use conflicts between new activities and Port operations.*

Since the West Gateway will continue to be used by Caltrans until 2015, the RFQ/RFP would focus on the East and Central Gateways (a combined area of approximately 70 acres). The RFQ/RFP would be flexible in allowing respondents to bid on part or all of the 70 acres –

although the preferred scenario would be to have a single master developer for the Central and East Gateways. Under the proposed timeline, staff would issue the RFQ/RFP in December 2007 and return to the Agency Board with an analysis of the proposals in June 2008.

SUSTAINABLE OPPORTUNITIES

Economic: The potential projects described in this report would generate significant high-quality jobs and tax revenue; preserve and expand local businesses; and would increase land values in a vacant, blighted, abandoned military facility (see Table 1, page 9).

Environmental: The potential projects described in this report would provide a mechanism to fund the environmental remediation of the Army Base; improve the waterfront; and allow for the development of an urban in-fill site.

Social Equity: The potential projects described in this report would generate a range of jobs that are accessible to Oakland residents with a range of educational backgrounds. Revenue generated from the redevelopment of the Army Base could be used to fund open space and other community benefits for West Oakland and for all of Oakland. Developers would be required to contribute to the West Oakland Community Trust Fund, which would provide a further source of funding for activities that benefit the West Oakland community.²

DISABILITY AND SENIOR CITIZEN ACCESS

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

RECOMMENDATIONS AND RATIONALE

The Oakland Army Base provides a unique opportunity to produce significant high-quality jobs, large-scale development, and community benefits for Oakland. However, it has become increasingly difficult to proceed with any further projects on the Army Base until an overall development strategy is crafted. Staff is recommending that the Agency:

1. Approve a Mixed-Use Oakland Alternative (Alternative #4) as the development strategy for the Army Base. This proposed strategy envisions the Army Base as a mixed-use center of trade, logistics, and maritime industries (41 acres); flex office and “creative industries” (28 acres); regional retail (23 acres); and auto mall (24 acres).
2. Authorize staff to solicit proposals to develop East and Central Gateways through a combined Request for Qualifications (RFQ) and Request for Proposals (RFP) process. Under the proposed RFQ/RFP process, staff would have interested developer teams submit information on their qualifications, as well as general information on their project concept. Finalists would be selected and invited to prepare detailed proposals. The

² See the companion report: “Informational Report on the Creation of the West Oakland Community Trust Fund as Proposed for the Former Oakland Army Base” (CED Committee, 10/23/07)

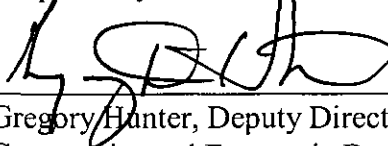
proposals would be evaluated by Agency staff and consultants, and then presented to the Agency Board. The RFQ/RFP will be based on the vision statement and general objectives set forth in this staff report.

Under the proposed timeline, staff would issue the RFP in December 2007 and complete the RFP process by May 2008.

ACTION REQUESTED OF THE CITY COUNCIL/REDEVELOPMENT AGENCY

Staff recommends that the Agency: (1) approve a Mixed-Use Oakland Alternative (Alternative #4) as the development strategy for the Army Base. This proposed strategy envisions the Army Base as a mixed-use center of trade, logistics, and maritime industries (41 acres); flex office and “creative industries” (28 acres); regional retail (23 acres); and auto mall (24 acres); and (2) authorize staff to issue a combined RFQ/RFP immediately to market the East and Central Gateways to potential developer teams.

Respectfully submitted,



Gregory Hunter, Deputy Director
Community and Economic Development Agency
Economic Development and Redevelopment

Prepared by:
Alex Greenwood
Urban Economic Coordinator, CEDA,
Redevelopment Division

APPROVED AND FORWARDED TO
THE COMMUNITY AND ECONOMIC DEVELOPMENT COMMITTEE:



OFFICE OF THE CITY ADMINISTRATOR
/ AGENCY ADMINISTRATOR

ATTACHMENTS:

- A. Map of Gateway Development Area
- B. List of Unsolicited Proposals
- C. Land Use Map of Alternative 1: “Eco-Oakland”
- D. Land Use Map of Alternative 2: “Destination Oakland”
- E. Land Use Map of Alternative 3: “Gateway Oakland”
- F. Land Use Map of Alternative 4: “Mixed-Use Oakland”
- G. DC&E Final Report (October 2007)

Item: _____
CED Committee
October 23, 2007

ATTACHMENT A

Site and Environs



Gateway Development Area Averages	
North Gateway Site	29 acres
East Gateway Site	23 acres
Central Gateway Site	17 acres
West Gateway Site	19 acres
Waterfront Open Space	172 acres
TOTAL	280 acres

Alphasun Parcel Averages	
Port of Oakland 7th Street Marine Terminals	310 acres
Port of Oakland West Intermodal Terminal	123 acres
East Gateway Site (Proposed Terminal)	22 acres
Central Gateway Site	17 acres
Waterfront Open Space	172 acres
Waterfront Marine Yard	50 acres
Waterfront Marine (Under Negotiation)	50 acres
Port of Oakland Utility District	18 acres
Port of Oakland Utility District	18 acres
Port of Oakland Utility District	18 acres
TOTAL	708 acres

Attachment B: Summary of Unsolicited Proposals for Army Base Development

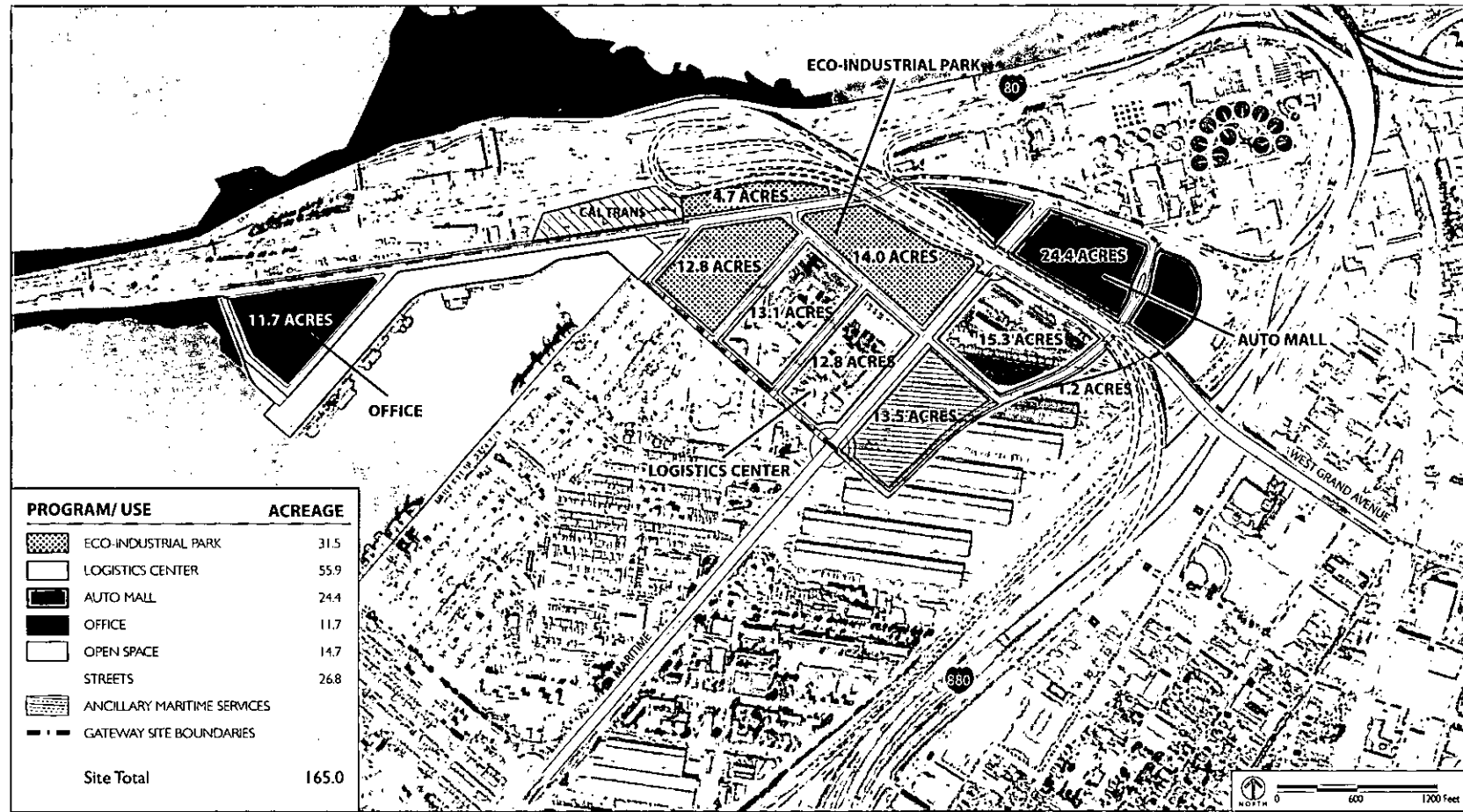
Developer/Team	Area Requested	General Description
Jones Development Companies	10-15 acres	Relocation of Produce Market
Costco / Metrovation	15.5 acres	Costco store
Panattoni	Up to 100 acres	Industrial park
Bristol Group	Up to 100 acres	Industrial development
APTO, Inc.	189+ acres	Mixed use development with commercial, industrial, hotel, marina, financial center, and green industrial uses
Humanity Baptist Church	10 acres	Church with offices & community facilities (5 acres) and tire recycling plant with job training facility (5 acres)
ProLogis / Cattelus	50 acres	Mixed-use industrial and retail project
Majestic Realty	Up to 165 acres	Mixed-use industrial and retail project
Maritime Industrial Support Compound (MISC)	70 acres*	Maritime Support Services
Oakland Maritime Support Services (OMSS)	15 acres*	Maritime Support Services
Smith-Cypress/Staubach	70 acres	Mixed-use retail and office project with sports-themed entertainment
Prism Realty	Up to 100 acres	Mixed-use retail and industrial project
Nova Property Solutions	Unspecified	Unspecified
First Industrial Realty & Trust	15 acres	Warehousing
SKS Investments	Unspecified	Unspecified

*MISC and OMSS have since submitted revised proposals in response to the Agency's Ancillary Maritime Support (AMS) RFP

Note: These proposals were submitted to Agency staff during a time when the Wayans and/or Opus West ENAs were in effect. Upon the advice of the City Attorney's Office and the direction of the CEDA Co-Director, these unsolicited proposals have been held without action pending resolution of the Agency's planning process for developing a Land Use Strategy for the Gateway Development Area.

ATTACHMENT C

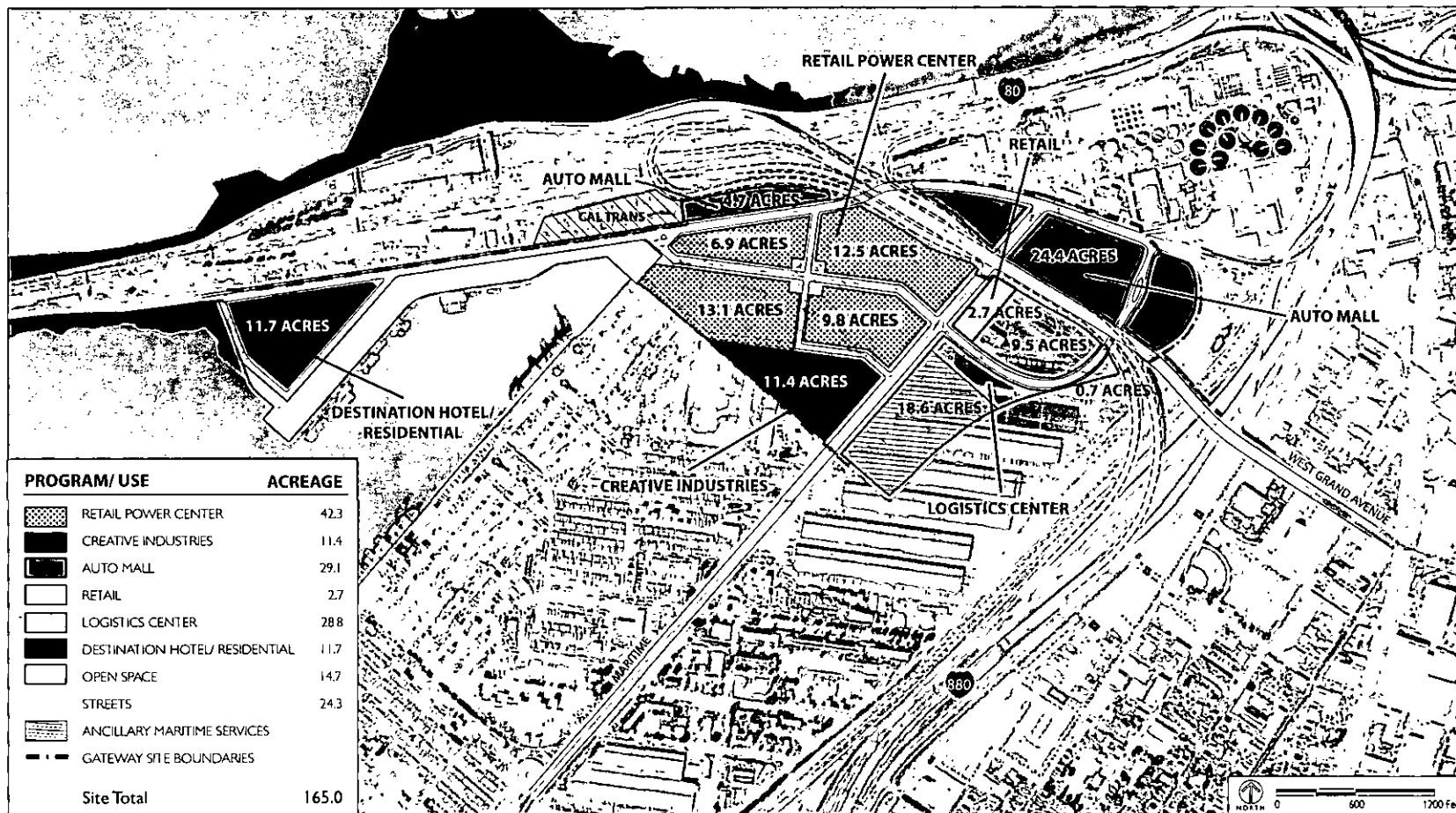
CHAPTER 4: SITE ALTERNATIVES



Created by SMWM, June 2005; revised by DC&E, September 2007

ATTACHMENT D

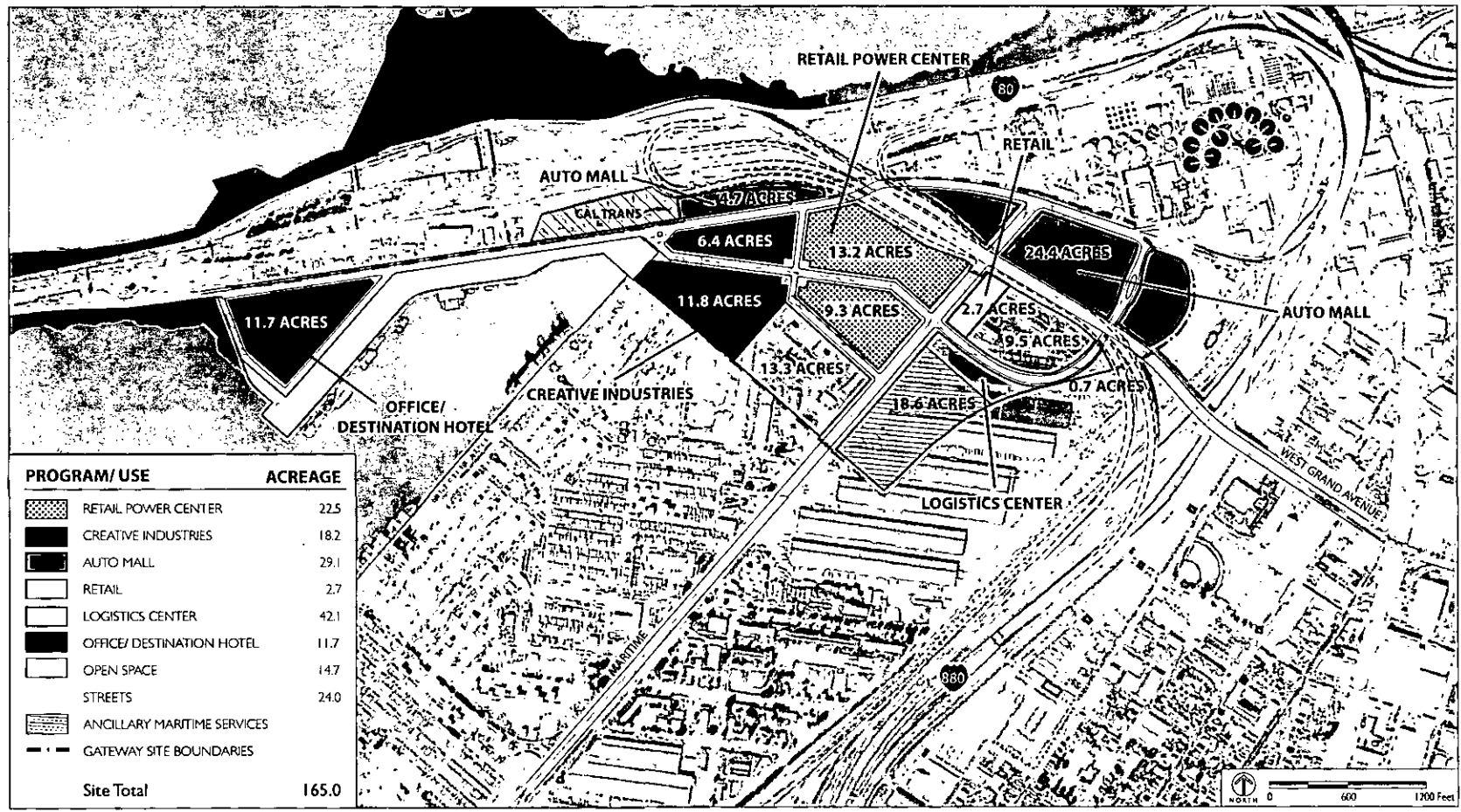
CHAPTER 4: SITE ALTERNATIVES



Created by SMWM, June 2005; revised by DC&E, September 2007

ATTACHMENT F

CHAPTER 4: SITE ALTERNATIVES



Created by SMWM, June 2005; revised by DC&E, September 2007

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

FINAL REPORT

Oakland Redevelopment Agency | October 2007



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Bay Area Economics
SMWM

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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 (Army Base) provides the City with approximately 165 acres of land that became 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 (33 acres), Central (70 acres) and West (34 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 extraordinary 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), which was the recognized Local Reuse Authority and the recipient of the property conveyance from the Army, undertook a pre-development planning process to create a refined list of potential uses for the site, identify evaluation criteria and develop site plan alternatives to assist the Agency in defining its property disposi-



Aerial view of the Oakland Army Base.

tion program and a developer solicitation process. In March of 2005, OBRA hired a consultant team led by Design, Community & Environment (DC&E) to assist with the planning process. DC&E was supported by Bay Area Economics (BAE) for economic, market and fiscal analysis and SMWM for site design.

The Interim Final Report of this document (June 2005) provided 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.

This Final Report updates the Interim Final Report. The Final Report includes an updated market analysis and consolidated evaluation matrix, and reflects the key development actions taken since the August 2006 conveyance of the property to the Agency. As called for in the Interim Final Report, this report presents a new recommended land use alternative, based on the latest economic and market findings and on stakeholder input.

The information in this document can serve many purposes. It can provide the Oakland City Council and the Agency with the information necessary to select a preferred alternative or alternatives for the site; be used as a template or baseline for evaluating other development proposals; and/or serve as a basis from which 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 a discussion of four development alternatives (Chapter 4). The final section of the report (Chapter 5) presents a detailed comparison of the four site alternatives in terms of evaluation criteria discussed earlier.

A. Site and Project History

The Oakland Army Base was recommended for closure by the Department of 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, the local reuse authority, OBRA undertook numerous planning processes that culminated in the *Final Reuse Plan for the Oakland Army Base*, adopted on July 31, 2002. The *Final Reuse Plan* contained a conceptual vision for the site and a broad policy framework for the site's development. It presented 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 from OBRA to the Agency, this document was undertaken to facilitate that refining process.

As a result of the planning process and negotiations, a total of 220 acres of the former Army Base was conveyed to the Port of Oakland for its Port Development Area. The 171 acres conveyed to the Agency comprise the Gateway Development Area (GDA).

This pre-development planning project is for the GDA portion of the former Army Base. It builds upon past efforts by evaluating the development options that have been brought to the Agency over the past

few years, based upon an evaluation of economics, market feasibility and land use. Those options that have strong market feasibility have been assembled in a series of development alternatives to illustrate a particular concept or theme.

While the Port of Oakland is responsible for the planning and development process of 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, complementary 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 that led to the Interim Final Report 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: then-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 Oakland Metropolitan 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 site development alternatives.

Several key findings came out of 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 great deal 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.

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 Outer Harbor Intermodal Terminal. The Port also recommended that a modern logistics center as part of the Gateway Development Area would be a viable development opportunity for the City as well as beneficial to the Port of Oakland's customers.

Concurrent with the 2005 stakeholder interviews, the consultant team also prepared two background documents. The *Oakland Army Base Market Scan* (April 25, 2005) provided an overview of the market and demographic trends in the Bay Area

and the city of Oakland, and analyzed 25 potential uses for the site that were either recommended in the *Final Reuse Plan* and/or recommended by stakeholders and staff. This analysis, which helped to define the range of potential uses for the site, is summarized and updated in Chapter 2 of this report.

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

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 the report.

Following conveyance of the GDA to the Agency, staff received Council direction to conduct an updated land use planning process, including revising this report to correspond with current conditions and soliciting input from community stakeholders. In May 2007, staff began a four-month series of workshops with the WOCAG, which led to the development of a new fourth land use alternative. In addition, staff worked with the office of Mayor Ronald V. Dellums and with the Oakland Metropolitan Chamber of Commerce to

discuss the analysis of land uses being developed by their joint Oakland Partnership Initiative. City and Agency economic development and planning staff met with consultants from DC&E and BAE in August 2007 to evaluate the new alternative in terms of staff's areas of expertise and provide analysis for this Final Report.

D. Site Themes

Based on the stakeholder interviews, discussions with 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 for relocating selected underperforming uses, which could benefit from the GDA site's high visibility, from other parts of the city. 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 and east 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 former Army Base. There were many suggestions for specific types 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. Staff provided support for attracting innovative "green" technologies to the GDA that would welcome the vis-

ibility of the location for their offices and the benefits of having the Port nearby. They cited the potential for Oakland's gateway to be an international hub for emerging technologies, identified by future-thinking architecture and state-of-the-art construction.

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

This chapter summarizes an updated overview of land uses that could potentially be developed at the Oakland Army Base Gateway Development Area (GDA) site. The following provides an overview of relevant market trends and profiles several distinct economic development opportunities for the GDA site.

The 165-acre GDA is among the most complex urban development sites in the Bay Area. It is located at the I-880 curve at the eastern end of the Bay Bridge, which is the busiest toll bridge in the country and the third-busiest bridge overall. As a result, the site is one of the most visible in the nation, viewed by more than 320,000 automobile and bus passengers every day. This highly-visible location serves as the gateway to Oakland, although at the present, this gateway statement is not well-utilized. Most drivers cross the Bay Bridge traveling east and have no awareness that they have entered Oakland; the view is simply of distant skylines with no noticeable physical improvements in the foreground. With the realignment of the eastern span of the Bay Bridge currently under construction, computer simulations indicate that the visibility of the site to the bridge traffic will be further enhanced, as eastbound bridge traffic will have a direct line of sight into the parcel.

At the same time, the GDA faces numerous development challenges. The site is surrounded by heavy industrial uses, including an East Bay Municipal Utility District (EBMUD) sewage treatment plant and the rapidly expanding Port of Oakland. Primary automobile access to the site is from West Grand Avenue, currently inundated with large trucks moving freight to the Port of Oakland. The site also is subject to environmental remediation requirements and faces potentially complex infrastructure redevelopment, although these and other potential development constraints were not reviewed for this chapter.

A. Office and R&D for Creative Industries

Office and research and development (R&D) in emerging, innovative technologies uses are combined in this overview, because many of the newest buildings containing these uses appear similar in design and scale. The industries conducting R&D in innovative technologies are sometimes also referred to as “creative” industries.

For example, the GDA’s location adjacent to Emeryville suggests that this site may be able to capitalize on proximity to the bio-science concentration located nearby, as

evidenced by companies such as Novartis and Bayer, which are conducting biotech research in mid-rise, well-designed structures in Emeryville and West Berkeley. As another example, the rapidly growing firm, Amyris, recently leased new office/R&D space in a new building in Emeryville; this firm started by researching anti-malarial microbes, but is now shifting its focus to concentrate on developing enhanced bio-fuel technologies.

The GDA site is uniquely well-suited to house creative industries and to support industry clusters, with both Class A office space and R&D space in an integrated complex, due to its large developable spaces, outstanding freeway visibility enabling corporate branding opportunities at the entry to Oakland and the East Bay region, as well as a strategic location proximate to a large, well-educated labor pool.

1. Market Trends

To assess market trends, this report summarizes recent real estate trends for Class A office space as well as a category known as “Class B/C and Flex.” Class A office space is typically defined by the real estate industry to mean newly constructed office space with high-quality finishes and a signature address. This type of office space commands the highest office rents. Class B/C office space refers to older office space with lower quality finishes and lower rents than Class A. Flex space refers to a hybrid type of space that is typically

constructed using less expensive materials (or renovated space in historic buildings), with customized interiors used to house a combination of uses ranging from office to assembly to some distribution. Many contemporary research and development functions occur in either Class B/C office space or in flex space; thus, to reflect the blending together of office functions with flexible space, most trend reports in urban areas now combine the Class B/C office with flex space.

Oakland has recently seen relatively strong demand for Class A office space, particularly in the downtown area, with its 9.6 million square feet experiencing vacancies under six percent and rents averaging more than \$2.50 per square foot for full service space. Real estate analysts consider vacancies above 10 percent to signal a relatively soft market for office and flex space. In contrast, for the 8.4 million square feet of Class B/C and flex space in Oakland, vacancy rates are still relatively high, reaching over 20 percent vacant in the Oakland International Airport area. This softer demand for Class B/C and flexible space is likely due to the condition of the available buildings in this class, many of which are obsolete, lacking contemporary features or telecommunications services. The advantage of the GDA site is the opportunity to build state-of-the-art facilities and connectivity infrastructure from scratch.

Because the Oakland GDA is located strategically between Emeryville and the heart

Table 1: Oakland and Emeryville Office & Flex Market, 2007 2nd Quarter

	2nd Quarter 2007			Vacancy		Avg. Asking Rent
	Total Sq. Ft.	%	Vacant Sq. Ft (b)	Q2 2007	Q1 2007	Full Service Q2 2007
OAKLAND						
Class A Office:						
Downtown (a)	9,627,645	95.5%	557,765	5.8%	5.8%	\$2.54
Jack London Square	NA	NA	NA	NA	NA	NA
Airport	453,697	4.5%	101,118	22.3%	21.1%	\$1.95
Total Class A Oakland	10,081,342	100%	658,883	6.5%		
Class B/C and Flex (c):						
Downtown	5,407,729	64.2%	809,747	15.0%	15.8%	\$1.86
Jack London Square	1,662,249	19.7%	233,263	14.0%	14.0%	\$1.86
Airport	1,349,867	16.0%	306,764	22.7%	19.8%	\$1.60
Total Class B/C Oakland	8,419,845	100.0%	1,349,774	16.0%		
Total Oakland	18,501,187		2,008,657	10.9%		
EMERYVILLE						
Class A Office	2,320,648	58.0%	173,819	7.5%	7.6%	\$2.59
Class B/C and Flex (b)	1,683,088	42.0%	197,046	11.7%	14.0%	\$2.02
Total Emeryville	4,003,736	100.0%	370,865	9.3%		

Note:

(a) Colliers added 2.93 million square feet of government buildings in Downtown Oakland to their Class A inventory in Q1 2007.

(b) Includes vacant for lease, and vacant for sublease space.

(c) Includes R&D/Flex space.

Source: Colliers International, 2007; BAE, 2007.

of Oakland, the site has the opportunity to compete for some of the market demand for R&D/creative industries attracted to Emeryville, as exemplified by Pixar and Novartis. As shown in Table 1, Emeryville's 2.6 million square feet of Class A office space has experienced strong recent demand, with vacancy rates dropping to 7.5 percent in the 2nd quarter of 2007. At the same time, Emeryville's Class B/C Office and flex space category has dropped to an 11 percent vacancy. Asking rents for both Class A and Class B/C and flex in Emeryville slightly outpace Oakland's equivalent space, although this varies from building to building.

These market trends suggest that the GDA site may be attractive to demand that is drawn to both downtown Oakland and, to some extent, Emeryville. The GDA site

is located close to the Oakland/Emeryville border. The site will likely experience moderate to strong demand for office/R&D space over the long term.

2. Economic Development Opportunities

This section profiles two specific examples of creative industry sectors which are emerging in the East Bay, and could be targeted for economic development at the Gateway Development Site.

a. Clean and Green Technology

Among the types of innovative industries emerging in the Bay Area and the U.S., a category referred to as "clean" technology—or, alternatively, "green technology"—is attracting widespread attention. According to a recent report, \$339

million was invested in California clean-tech companies in 2003, which represented 29 percent of all North American clean-technology investments. The report also noted that venture capital investments in California's clean-tech industry through 2010 could seed 52,000 to 114,000 new jobs statewide.

The Bay Area is quickly gaining a competitive advantage in clean-tech R&D, fostered by the work of institutions such as Lawrence Berkeley National Laboratory, Lawrence Livermore National Laboratory, and NASA Ames Research Center. There is also an emerging vanguard of entrepreneurial Bay Area startup companies that are able and eager to commercialize this research. Already a number of private companies have turned advanced research into viable business models, such as PowerLight (soon to relocate to Richmond), a provider of large-scale solar systems; SunPower in Sunnyvale, a low-cost manufacturer of high efficiency single-crystal solar cells; Miasolé, a Santa Clara startup company focused on manufacturing thin-film solar cells; Nanosys in Palo Alto, which uses innovative techniques to produce solar cells; and Powerstor in Dublin, a manufacturer of high-capacity energy storage devices. In a related vein, the \$550 million research grant to UC Berkeley for bio-fuel research, announced recently, has stimulated substantial interest in spin-out space for likely startup companies working on these technologies.

As another example of the attraction of the GDA for this use, the City was recently approached by a well-funded overseas investment group, seeking a visible, available location to develop a photovoltaic (solar) manufacturing and research project.

In Spring 2007, Oakland's Economic Development Community Task Force, convened by Mayor Dellums, issued a report with numerous strategies to strengthen the City's economy. The report included a strong emphasis on development of Oakland's green economy, with the former Army Base serving as a key location for this effort. The report recommended that the base and nearby areas be incorporated into a contiguous Green Enterprise Zone (GEZ) for mixed commercial and clean-tech use, featuring world-class facilities organized as a "green technology park." The report recommends creating tax incentives to attract these types of companies to Oakland's GEZ. Other recommendations included creating a "Green Jobs Corps," formulating an overall green economic development plan for Oakland, and implementing full green business operations at the Port of Oakland. The mayor's Task Force recommendations are corroborated by the findings of the Chamber of Commerce report, *Taking Stock of Oakland's Economy* (April 2007), which urges Oakland to "actively encourage the emerging clean technology industry." These recommendations complement ongoing related City initia-

tives, including construction and debris recycling, development of a green building ordinance, food packaging reduction, zero-waste and oil independence goals, and the Oakland/Berkeley Recycling Market Development Zone (RMDZ). In addition, in a recent survey, Oakland was identified as a national leader in renewable energy production, with 17 percent of the city's electricity produced by sources such as commercial and residential photovoltaic systems. Together these policies and trends show that the City takes clean-tech seriously, and Oakland is well-positioned to take a national leadership position in green technology development. The GDA site can play a key and highly visible role in this strategy.

The concept of a green technology park at the GDA site would have several components. If developed around this idea, the site and buildings could be built to LEED green building standards, creating a hallmark business setting. The business activities and tenants in a green technology park could vary widely, from "clean-tech" and alternative energy R&D, to manufacturing and sales of building products using recycled materials. This concept could also include closed-loop manufacturing, which means that one producer uses the wastes of another to create new products from recycled waste. This concept may also accommodate one or more recycling businesses located in West Oakland, depending on the financial structure of the new complex at the GDA site.

b. Film / Media Industries

The Bay Area has long been home to a wide array of media facilities and industries, including commercials, web content production, animation studios, and several independent film production facilities. In addition, numerous feature films have been filmed on location throughout the Bay Area. However, there are no permanent, state-of-the-art, large-scale production facilities located in Northern California.

This use encompasses a broad range of occupants, ranging from traditional film, sound and production stages to computer-oriented special effects developers and post-production specialists. The Bay Area is home to several permanent film production facilities, such as LucasFilm, and several global leaders in the special effects category, including Pixar and Industrial Light & Magic. In addition, numerous temporary production facilities and sound stages have been created in former military base buildings at Treasure Island, Alameda Point and the Presidio. This use category can also be complemented with economic development initiatives such as incubator space for start-up computer graphics companies.

In Oakland, the Oakland Film Office, which has actively supported film production for several years, opened the Oakland Film Center on a short-term lease at the former Oakland Army Base. Created as an industry incubator, the Center has become the focal point location where film, televi-

sion and commercial producers can obtain services from providers including grip and electric, set building, post-production, camera operators, still-life photography, transportation, communication, props, mobile offices, and lighting companies. The Center houses 31 film-related businesses and currently has a waiting list for prospective tenants. Key to the success of the Film Center is its location at the former Army base, with access to I-80/I-880 and the Bay Bridge.

The Oakland Film Office has announced interest in establishing a permanent Film Center in the GDA to expand the clustering concept and establish Oakland as a media center. The Film Office, along with prominent industry leaders in the Bay Area, is developing plans for a state-of-the-art production facility, with potential funding by the U.S. Economic Development Administration. This facility could serve as a complement to any additional film production development in the GDA, or as a self-contained component of a creative industries/R&D development scenario.

In addition to Oakland's initiatives, it is noteworthy that Pixar Studios, located nearby in Emeryville, is planning a substantial multi-year expansion of its facilities. Plans call for several phases of new construction, tripling current jobs to the eventual employment of more than 1,300 high-wage workers.

This concept of developing a creative complex around film and media is growing throughout the U.S. and abroad, as summarized below:

- ◆ In Chicago, a developer recently entered into an agreement with the City to build a \$57 million film studio complex on a former brownfield site. The City of Chicago will sell an 11-acre site to the developer at a low cost, provide tax increment financing, and fund infrastructure using empowerment zone bonds. Plans call for five production stages and a three-story production office building. The City of Chicago estimates that the complex will contribute 1,250 jobs and more than \$94 million annually to the local economy. The developers have committed to working with the Mayor's Office of Workforce Development to train and employ residents from surrounding neighborhoods.
- ◆ In Toronto, the FilmPort complex, due for completion in 2008, is intended to serve as a catalyst to revitalize the city's underutilized port lands, transforming the area into a creativity and innovation district for film, media, arts and knowledge-based industries.
- ◆ In Glasgow, Scotland, the Film City project will be completed in 2008 in a redevelopment area. This project will involve film, TV production, graphics, animation, web design and music. It

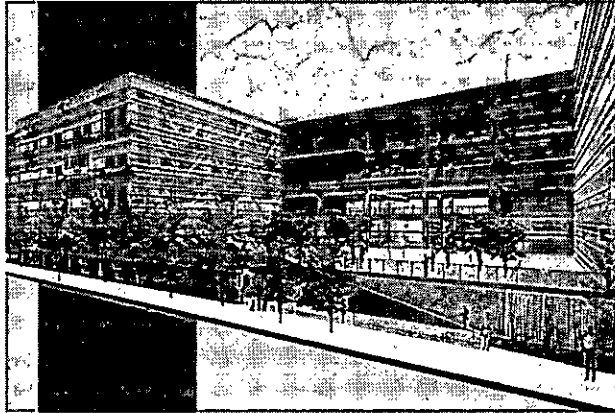
will provide film studio space, a specialized post-production film facility, conference rooms and low-cost space for the creative media sector.

- ◆ Other large-scale studio complexes are currently being developed in Brooklyn, New Orleans, Austin and Albuquerque.

Such development could form the nucleus of a strong film/media industry cluster in the GDA, stimulating substantial economic development for Oakland and surrounding communities. The Chamber of Commerce report also recommends encouraging the arts, design and digital media sector as a priority for Oakland.

3. Development Requirements

In the Bay Area, recent development projects for office and R&D users have been transitioning from low-rise campus-style layouts to more dense, mixed use, transit-oriented facilities. Downtown Oakland, along with urban centers such as San Francisco, has enjoyed a resurgence in popularity due to these features. The GDA offers the opportunity to develop its own unique, high-quality employment environment, with features combining the high-tech design of Emeryville with the location/access attributes of downtown Oakland. Moreover, a branded identity, visible to the world, can be achieved by companies locating in the GDA in mid-rise



Office/R&D Development in Emeryville

space. The advent of increased alternative energy research spurred by major grants to UC Berkeley, offers yet another opportunity for the former base to position itself as a new, mixed Class A office and scientific research campus location.

A notable new development in Emeryville (pictured here), completed in 2007 at 5885 Hollis Street, exemplifies the type of space that could be developed in the GDA. This 245,000 square foot project, developed by Wareham Development, blends together a Class A office project with R&D space geared toward bio-science users. Known as EmeryStation East, this project was more than 50 percent leased before building completion. Leases were signed with Amyris Biotechnologies, a firm working on bio-fuel research and development, and Novartis, a major international bioscience firm. Rents are among the highest per square foot of any East Bay office space, topping \$3.00 per square foot per month.

The types of buildings achievable in the GDA will likely range in density from .5 to over 3.0 floor area ratio (FAR). Prior studies of soil quality in the GDA suggest that higher FARs may be constrained by the costs associated with strengthening and supporting denser structures. However, a financial feasibility analysis has not yet been conducted; it is recommended that when the site goes out for developer solicitation, these densities be offered in a broad range to be refined by the marketplace.

This type of development will require special design and amenities to attract innovation and “creative” workers and companies. Onsite parking is important, but can be minimized with sufficient transit access. A notable example of public transit access is offered by the Emery-Go-Round shuttle throughout Emeryville, which offers ten-minute headways and free service to shuttle workers to Macarthur BART. This shuttle is supported by a mix of City of Emeryville and local business funding, and is often cited as one of the key features in attracting office and R&D users to Emeryville. As the GDA develops, there may be opportunities to join this shuttle system, or to create a new shuttle system linking to the West Oakland BART station. The shuttle could be further linked to innovative industries by showcasing new types of vehicles or fuel.

Restaurants providing daytime lunch offerings will also be important; these can be provided as part of the big box or related retail concepts discussed later in

this chapter. Finally, an overall “edgy” design concept, with eye-catching contemporary design features, integrated with the beautiful natural setting, will enhance the branding opportunities for Oakland and the firms located in the GDA. As an added feature, the GDA’s innovative business park could also incorporate a World Trade Center, which could visibly showcase green technologies at this site and further reinforce branding of Oakland as an international center for innovation.

4. Feasibility

The financial feasibility of office/R&D space for creative industries will depend on the specific project proposed for the GDA, infrastructure costs, the structural costs to mitigate “fill” soil conditions in certain spots, and a host of other factors. Depending on these factors, development of this type of business park may require subsidies. However, it should be noted that this approach may be able to attract broad venture capital and/or grant funding, particularly for industries tied to green/clean tech; many private investors and socially responsible investment funds are seeking these types of investment opportunities. For example, a clean-tech business park at the GDA could leverage funding for synergistic initiatives such as brown-fields remediation, enterprise communities or urban infill. Federal agency grants might be available from the Department of Commerce, the Department of Energy, and/or the Department of Housing and Urban Development.

Development of a business park for creative industries will require careful strategic planning, strong public/private partnerships and a world-class design. The concept may require a longer start-up phase and generate less financial return in the short term than other uses, but this approach would establish Oakland as a leader in innovation over the long term, set within one of the most visible locations in the U.S.

B. Logistics, Distribution, and Truck Services

One of the highly specialized types of space often discussed for the GDA site is logistics, which is the utilization of basic warehouse space to move goods at an accelerated pace using robotics, computer software and other technology. Logistics operations are typically housed in buildings that appear industrial from the exterior, but contain specialized interior space designed to break down and/or reassemble goods (for example, from ship to truck), or to fulfill e-commerce orders.

Distribution involves the more traditional functions of warehousing/storage, with less emphasis on a complex process of goods movement. Trucking services support both the more-complex logistics and the more-traditional warehousing/distribution functions, all requiring trucks to bring goods into and out of the area.

These land uses are important to consider for the GDA’s economic development strategy, because they will support the Port of Oakland, a major economic feature of the City of Oakland, as well as the expansion of traditional Oakland businesses in a strategic location near rail and freeways.

I. Market Trends

Table 2 profiles recent industrial and warehouse market trends for Oakland; these categories reflect available real estate market data most closely related to logistics and distribution. In general, as shown, the more than 33 million square feet of industrial and warehouse space in Oakland is in strong demand, with recent vacancies dipping to 5 percent or below, indicating a very strong market for these types of

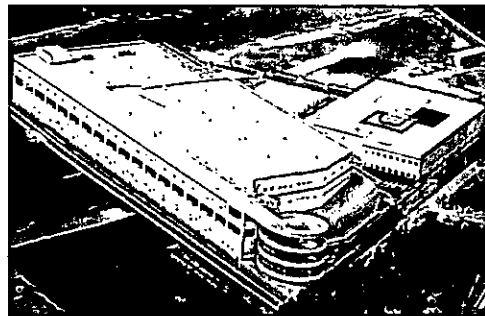
Table 2: Oakland Industrial & Warehouse Market, 2007 2nd Quarter

OAKLAND	2nd Quarter 2007			Vacancy		Avg. Asking Rent
	Total Sq. Ft.	%	Vacant Sq. Ft.	Q2 2007	Q1 2007	NNN Q2 2007
Industrial	22,601,206	68.0%	803,839	3.6%	4.9%	\$0.53
Warehouse	10,616,104	32.0%	553,508	5.2%	5.3%	\$0.47
Total	33,217,310	100.0%	1,357,347	4.1%		

Source: Colliers International, 2007; BAE, 2007.

spaces. This trend is likely reinforced by the overall pattern of converting some of Oakland's former industrial and warehouse space to other uses, such as residential lofts.

The strong demand for industrial and warehouse space, coupled with the GDA's strategic location adjacent to the Port of Oakland, indicates strong future demand for logistics and distribution space. By the year 2020, Port of Oakland container traffic is expected to approach 4.0 million twenty-foot equivalent units (TEUs), the standard measure of container capacity; most modern containers are 40 feet, equivalent to 2 TEUs. This figure represents a doubling of cargo throughput, requiring a major expansion of Port facilities. Prior BAE research indicated that the Port envisions the need for over one million square feet of higher-end logistics space to service its expansion plans. However, the Port expects to develop an unknown amount of this space on its own property. This means that the GDA could meet the balance of demand stimulated by Port activi-



Narita Air Cargo Center I in Japan

ties, but the amount of supportable space can not be determined at present.

2. Economic Development Opportunities

a. Logistics

This use, often housed in an inexpensive one-story warehouse or industrial structure, incorporates expensive interior equipment to rapidly store, access and reroute items using logistics systems. The typical newly-constructed logistics building has easy truck and/or rail access. Most logistics centers seek out inexpensive land at the edge of the city, located near freeways.

At the former Army Base, a logistics center would serve Port of Oakland activities, as well as other customers seeking an accessible Bay Area distribution and just-in-time location for high value merchandise.

The one million square feet envisioned by the Port, at a FAR of 0.75 (which assumes very limited outdoor parking), would consume 30 acres or more of land. In order to explore conserving GDA land for a mix of uses, while still meeting some Port needs, the concept of a vertical logistics center was investigated. Several examples were identified, including the Okamoto Logistics Centre, a five-story development in Yokohama, Japan. Other examples were near airports, where just-in-time delivery of small, high value products is suited to

multi-story buildings. Examples include the Narita Air Cargo Center I, a seven-building multi-story project expected to be Japan's largest dedicated air cargo logistics park (pictured here); Schenker's Korea Logistics Center, a three-floor facility near the Incheon International Airport outside of Seoul; and the Tuen Mun Logistics Center, a seven-story development in Hong Kong. According to logistics specialists at AMB Properties Corporation, the owner and developer of many major U.S. and overseas facilities, new ports in Asia are being developed to serve burgeoning export economies. Many of these are located on greenfield sites to allow horizontal development of logistics and transshipment centers. In contrast, in the U.S., this product has not yet been developed, due to the cost-prohibitive nature of land in urban locations.

b. Truck Services

Current Port operations attract numerous trucks, which idle throughout the West Oakland neighborhood and impact local circulation. Expansion of Port facilities will increase demand for truck services to serve trucking needs between Port-area rail facilities, as well as trucking to distribute freight within the region. According to the 2003 Goods Movement Study prepared for the Metropolitan Transportation Commission (MTC), the Port of Oakland will double its container traffic by 2020, resulting in increased truck "loads" on local and regional roadways.

In 2005, the Port estimated a need for 135 acres for truck-related uses to meet its expansion needs, with 75 acres programmed to be provided on Port property, leaving demand for 55 additional acres on the City's GDA property. These uses include both storage and parking of trucks, trailers and tractors, as well as storage of shipping containers. This type of land use requires paved open space in proximity to port operations, with limited building improvements.

This increased truck traffic will also require increased support services for trucks, including secure facilities for truck parking, mobile tire repair, mobile fueling, food services (including mini-marts), insurance and Department of Motor Vehicles (DMV) services, public truck scales, customs services, special equipment leasing, medical and occupational testing centers, and training and technology services.

Due to the support provided by trucks to the maritime industry, truck services qualify as an Ancillary Maritime Support (AMS) Service on the 15 acres of property required by the Bay Conservation and Development Commission (BCDC) to be developed on the former Army Base. The City of Oakland recently conducted a solicitation process, with several proposals submitted to provide these services. Evaluation and selection is currently underway.

c. Food Manufacturing and Distribution

Oakland has long been a center for the manufacturing and distribution of food products. Examples include the Terminal Market, a 100,000 square foot historic produce market located near Jack London Square, as well as food products manufactured by firms seeking to expand their operations, such as Sconza Candy, Semifreddi's bakery and Numi Tea.



Numi Tea

The Terminal Market houses multiple food wholesalers selling and distributing primarily fresh produce items to local grocery stores, restaurants, hospitals and schools. Due to its outmoded layout, lack of easy access and circulation constraints, the Terminal Market has sought a new home to expand and improve its services and has expressed interest in the GDA. Additional businesses including a fish processing company and several produce distributors from San Francisco and South San Francisco have expressed interest in relocating to the former Army Base. This new Market could absorb 20 to 25 acres with approximately 250,000 square feet of built space. The Market manager estimates that relocation to a contemporary configuration at the GDA would allow expanded operations, a doubling of revenue and an increase of up to 800 total jobs. An upgraded produce market could help facilitate the growth of the specialty food sector, which was identi-

fied as another of three emerging sectors in Oakland in the 2007 report commissioned by the Oakland Metropolitan Chamber of Commerce, *Taking Stock of Oakland's Economy*. In addition, an expanded produce market, coupled with a potential public market selling specialty foods at the retail level, helps meet City initiatives for improved food systems and locally-grown food options.

The food manufacturer examples—Sconza Candy, Semifreddi's, and Numi Tea—are all Oakland-based companies seeking to expand their operations. Sconza Candy is seeking 10 acres, and may include public tours and a retail outlet as part of a new facility. Semifreddi's, a local artisan baker, is seeking approximately 43,000 square feet on two acres to expand production and accommodate a retail café. Numi Tea is seeking approximately 1.5 acres to enlarge its existing 25,000 square foot facility, and may also offer a retail outlet. These examples of local companies seeking new locations could be combined into a portion of a food manufacturing and distribution complex on the GDA site, and also provide an attractive retail component to serve the business park and auto dealerships, as discussed later in this chapter.

3. Development Requirements

Based on review of the above profiles, the following land uses could be supported by logistics, distribution and truck services at GDA:

- ◆ **Logistics:** Up to one million square feet on 30 acres, with a FAR of 0.75
- ◆ **Truck Services:** 15 to 25 acres including truck parking
- ◆ **Food Manufacturing and Distribution:** Up to 35 acres, with a FAR of 0.3 to 0.5

These uses will also require circulation and roadway access that is distinct from other uses at the GDA, in order to allow for efficient operations. The retail components of the food manufacturers could be grouped to form a buffer zone between the industrial uses and other retail areas with public orientation.

4. Feasibility

Although all of the uses profiled above will likely experience strong market demand at the GDA, their feasibility depends on the ability to develop relatively low-cost space. For example, as shown in Table 2, average asking rents for industrial and warehouse space in Oakland hover around \$0.50 per square foot; this prevailing low rent level is a main driver of the strong demand. Thus, depending on location, infrastructure costs, and other site improvement constraints, newly constructed space for these uses may require a subsidy to minimize development costs and keep rents relatively affordable.

Table 3: Per Capita Retail Taxable Sales Trends in Oakland and California, 2000 to 2005 (a,c)

All figures adjusted for inflation to 2005 dollars.

OAKLAND	2000	2001	2002	2003	2004	2005	'00-'05
Apparel Stores	\$130	\$141	\$133	\$122	\$119	\$129	-1.0%
General Merchandise Stores	\$507	\$459	\$418	\$331	\$315	\$363	-28.4%
Food Stores	\$470	\$461	\$438	\$429	\$428	\$437	-7.1%
Eating and Drinking Places	\$1,007	\$975	\$958	\$929	\$942	\$984	-2.3%
Home Furnishings and Appliances	\$194	\$214	\$246	\$260	\$212	\$176	-9.4%
Building Materials and Farm Implements	\$511	\$481	\$525	\$527	\$621	\$774	51.5%
Auto Dealers and Auto Supplies	\$1,689	\$1,517	\$1,376	\$1,346	\$1,273	\$1,249	-26.0%
Service Stations	\$756	\$703	\$697	\$782	\$783	\$918	21.5%
Other Retail Stores	\$1,224	\$1,096	\$1,092	\$1,178	\$1,248	\$1,294	5.8%
Retail Stores Totals (b)	\$6,489	\$6,047	\$5,885	\$5,904	\$5,941	\$6,325	-2.5%
CALIFORNIA							
Apparel Stores	\$440	\$433	\$435	\$453	\$485	\$509	15.8%
General Merchandise Stores	\$1,568	\$1,528	\$1,504	\$1,507	\$1,543	\$1,546	-1.4%
Food Stores	\$629	\$609	\$588	\$579	\$567	\$575	-8.5%
Eating and Drinking Places	\$1,213	\$1,193	\$1,181	\$1,194	\$1,238	\$1,263	4.1%
Home Furnishings and Appliances	\$465	\$432	\$434	\$450	\$469	\$473	1.8%
Building Materials and Farm Implements	\$849	\$857	\$871	\$915	\$1,062	\$1,079	27.2%
Auto Dealers and Auto Supplies	\$1,941	\$1,968	\$1,980	\$1,999	\$2,024	\$2,003	3.2%
Service Stations	\$863	\$797	\$742	\$826	\$937	\$1,050	21.7%
Other Retail Stores	\$1,855	\$1,700	\$1,621	\$1,624	\$1,691	\$1,730	-6.8%
Retail Stores Total (b)	\$9,823	\$9,517	\$9,358	\$9,547	\$9,659	\$10,228	4.1%

(a) Retail sales have been adjusted to 2005 dollars using the California Consumer Price Index for All Urban Consumers, published by the State Dept. of Finance, based on data from the U.S. Bureau of Labor Statistics.

(b) Analysis excludes all non-retail outlets (business and personal services) reporting taxable sales.

(c) Per capita sales calculated based on State Board of Equalization reported sales and annual Department of Finance population estimates benchmarked to the decennial Census.

Sources: State Board of Equalization; U.S. Bureau of Labor Statistics; 2000 U.S. Census; State Department of Finance; State Division of Labor Statistics and Research; Bay Area Economics, 2007.

C. Retail

As one of the most visible locations in the Bay Area, portions of the GDA are well suited to a variety of retail uses. The following section profiles market trends, big box and power centers, lifestyle/destination retail, and auto sales.

1. Market Trends

As an indication of overall market trends for retail, this report summarizes actual sales data. Table 3 provides Oakland’s per-capita taxable retail sales, based on published data from the State Board of Equalization, adjusted for inflation. California per-capita sales are also provided for comparison purposes. As shown, Oakland compares unfavorably to the levels of per-capita sales achieved statewide: for example, Oakland has total per-capita taxable sales of \$6,325 in 2005, compared to \$10,228 statewide. This means that Oakland could achieve higher sales per capita if it had all types of retail available to residents and was successful in capturing most purchases within



West Hollywood Gateway

Oakland. The trend from 2000 to 2005 is also notable; while the State experienced a real increase of 4.1 percent during the period, after adjusting for inflation, Oakland experienced a slight decline of 2.5 percent. Despite the overall trend of slight per-capita decline in Oakland, some categories show growth, including building materials and service stations.

2. Economic Development Opportunities

a. Big Box and Power Centers

This type of retail refers to value merchandisers selling inexpensive goods in a large store format. Some big-box chains develop their stores in a stand-alone format, while others combine their stores with other complementary retailers to create “power centers.” Still other retailers will develop stand-alone or in combination, depending on the site and the retailing opportunity.

Stand-alone big boxes typically range from 90,000 to nearly 200,000 square feet per store, exemplified by retailers such as Best Buy, Target, Lowe’s Home Improvement, and Wal-Mart. While traditionally requiring 15 to 20 acres for a stand-alone single-story big box, companies such as Target have begun to develop a more urban two-story prototype, as demonstrated in Albany, California, approximately five miles north of the GDA site. This two-story, 185,000 square foot Target occupies 10 acres with surface parking.

Smaller box stores more typically group together in a center, with each store ranging in size from 50,000 to 100,000 square feet. Examples include bookstores (Barnes & Noble), arts/crafts (Michael's), soft goods (Kohl's), home furnishings (TJ Max Home Furnishings), and even specialty grocers such as Trader Joe's or Whole Foods.

Power centers today can occupy a wide range of total acreage, depending on the size of the market area served, specific stores, and their size requirements. For example, the West Hollywood Gateway, pictured here, is anchored by a two-story Target and Best Buy. This center has a total of 250,000 square feet located on just 4.82 acres in a densely-populated urban area. The center was developed by Madison Marquette, the same company that developed the Bay Street mixed-use center in Emeryville.

The outlook for big box stores and/or smaller box retailers in a power center configuration is likely strong for the GDA, both in the short and longer term, provided the store tenants are not directly competing with the East BayBridge Center and other Emeryville stores located near the Oakland/Emeryville border. Additional research will be needed to identify specific, likely box stores and the financial feasibility of a power center in this location.

b. Destination Retail/Lifestyle Retail

This retail category, rapidly growing in popularity, is exemplified by the nearby Bay Street center in Emeryville, which offers branded merchandise such as spe-

cialty clothing, shoes and furniture, as well as restaurants and services. Many lifestyle centers are anchored by a large movie theater complex and/or large food court/restaurant attraction, and typically total 300,000 to 500,000 square feet.

Although lifestyle retailing continues to grow in appeal on a national and regional basis, the GDA site is constrained by the competitive advantages of nearby Bay Street. Thus, if lifestyle retail were pursued at the GDA, the concept would need to be unique, and able to draw from a large regional customer base. One example that should be further investigated is The Camp and The Lab complex, in Costa Mesa, California, a specialty retail complex aimed at teens and young urban adults, with stores such as Urban Outfitters, Habana, and stylish hair salons and restaurants. This special marketing approach would announce Oakland to the region location as an urban, hip destination, capitalizing on the one-of-a-kind visibility as well as on the strong drawing power of the nearby Bay Street and Ikea.

c. Automobile Sales

The City of Oakland has been pursuing a development of five to six automobile dealerships for the North Gateway portion of the former base. This concept has arisen partially as a result of a related City initiative to relocate Broadway Auto Row dealers to a more visible location, freeing land along Broadway for mixed use and housing development.

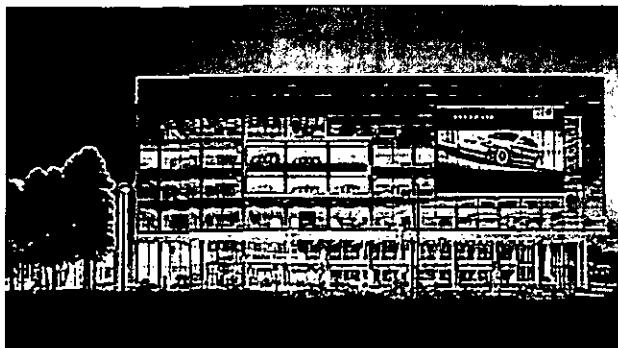
Auto malls or sales centers, traditionally more of a suburban land use concept, place multiple dealers adjacent to each other to encourage “one stop” comparative shopping for new and used cars, and can also include after-market parts and services (beyond dealership services). In more urban, land-constrained locations, the concept has also been developed to include multi-level buildings and joint services facilities, such as automobile inventory stored in a parking structure.

Previous analysis conducted for the former Army Base regarding potential sales of automobiles indicated that several Broadway Auto Row dealers were underperforming compared to regional averages for their nameplate. Oakland’s taxable per-capita automobile sales are also lagging behind statewide benchmarks, indicating untapped market demand potential. Studies completed by auto sales consultants for the City of Oakland have indicated that an auto mall developed at the GDA site will draw from a 50-mile regional trade area, leading to substantially

increased sales for the Broadway Auto Row businesses. In addition, an auto sales center will attract shoppers to also visit retail facilities developed in the GDA, and the restaurants provided at the retail facilities will serve the auto dealership customers while considering purchases or waiting for service.

There are two notable considerations which could make the GDA auto mall a unique destination facility. First, in some urban areas throughout the world, manufacturers such as BMW are encouraging their dealers to develop architecturally striking, multi-story buildings, such as the BMW dealership in Toronto pictured here. This type of structure would create a highly visible eye-catching marketing statement, potentially including electronic billboards showing high-definition videos of the autos.

Secondly, in keeping with other City of Oakland sustainability initiatives, the City may want to consider focusing the auto sales center around hybrid and other low-emissions/alternative fuel vehicles. This market segment is attracting substantial market share in the Bay Area. A hybrid auto sales center would attract regional and worldwide attention, capitalizing on this visible location in the heart of a leading market for hybrid sales in the U.S. Substantial additional research and key informant interviews are needed to test this idea, but it is strongly recommended as a high priority for consideration.



BMW dealership in Toronto

3. Development Requirements

The acres and built square footage for retail uses will vary, depending on the configuration of parking (surface versus garage), the use of multi-story buildings, and the number of retailers attracted to the site.

It is expected that the following FARs will be achieved:

- ◆ Big Box/Power Center: 0.5 to 1.2 FAR
- ◆ Destination/Lifestyle Retail: 1.0 or more FAR
- ◆ Auto Dealerships: 0.3 FAR

4. Feasibility

The feasibility of retail uses should be relatively strong, depending on cost factors to mitigate soil conditions and provide necessary infrastructure. If good circulation and auto access can be achieved, the highly-visible location and strong regional demographics should attract interesting and successful retail facilities. These will

further synergize the other uses under consideration by providing restaurants and gathering places for employees in surrounding businesses.

D. Hotel / Lodging

This use is considered for the West Gateway site, which offers unparalleled views of both the San Francisco and Oakland skylines, and will eventually be surrounded by parkland improvements on the West Gateway shoreline open space and the adjacent Eastshore Regional Park. It should be noted that this site is currently occupied by Caltrans as a staging area for Bay Bridge reconstruction, and will not be available for private redevelopment until 2013 or later.

I. Market Trends

The hotel industry in the Oakland/East Bay area, as shown in Table 4, has recently experienced strong improvement after a downturn in the early part of the decade. Average room rates and occupancies have both improved since 2006, although the

Table 4: Bay Area Hotel Market Overview, May 2007

Market Area	Average Daily Room Rate			Occupancy		
	2006	2007	% Chg	2006	2007	% Chg
Oakland/East Bay	\$106.20	\$111.46	5.0%	66.2%	69.4%	4.8%
San Francisco	\$168.92	\$186.08	10.2%	76.4%	82.5%	8.0%
San Francisco Airport	\$97.51	\$111.82	14.7%	68.5%	75.5%	10.2%
San Jose/Peninsula	\$117.88	\$132.12	12.1%	69.8%	71.7%	2.7%

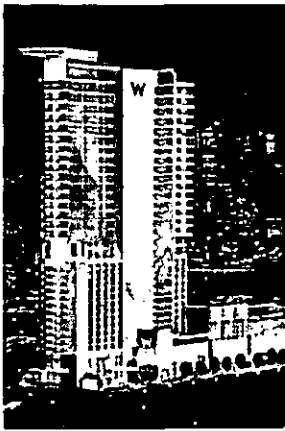
Source: PKF Consulting, 2007; BAE, 2007.

Oakland/East Bay marketplace still lags for both of these key factors compared to other parts of the Bay Area. In general, analysts look for a 70 percent or higher occupancy rate in an area to indicate a stable, financial viable inventory of hotel properties.

2. Economic Development Opportunities

a. Luxury Hotel

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.



W Residences in Dallas

This area offers exceptional views and a feeling of an urban retreat while still being easily accessible to the heart of the Bay Area. In the long term, this type of property could also be themed as an eco-tourist destination, with the combined habitat restoration of the Eastshore Park and the working port nearby.

b. Condo-Hotels and Fractionals

Two related and burgeoning types of hotel development which tap into the growing vacation and/or second home market are the “condo-hotels” and “fractional” concepts. Condo-hotels are essentially way to obtain a first or second home unit, along with the amenities of a hotel, and in some

cases, the benefits of renting the unit as a hotel unit when not used by the owner. The units can be purchased in their entirety, or split among several owners of blocks of time. Examples of these types of properties include the Plaza Hotel in New York City, the Four Seasons condominiums in San Francisco, and the W Residences being developed in other destination cities including Miami, Austin, and Dallas; the Dallas property is pictured here.

A variant on this concept is “fractional” ownership, which is essentially like the traditional timeshare term. Fractional ownership enables the buyer to purchase a block of time at a resort or urban housing project, and can include use of vacation units at multiple properties affiliated with the developer or through intermediaries.

3. Development Requirements

These type of projects, if located at the West Gateway site, will likely seek to build in a high-rise configuration to maximize feasibility and economic return. The requirements for a luxury hotel or condo-hotel project will vary, but the site size of 11.7 acres will permit sufficient development to attract interest if the hotel market remains strong.

Floor area ratios (FARs) for this type of project will vary, depending on the height and costs to engineer the supporting soil and substructure. A 300-room hotel would total approximately 350,000 square

feet, not including parking; this estimate assumes an average of 700 square feet per room, including common areas and meeting/amenity spaces. A 250 unit condo-hotel, with an average of 1,200 square feet per unit (including common areas and amenities), would total 300,000 square feet.

4. Feasibility

The financial feasibility of constructing a luxury hotel on the West Gateway site will depend on the cost to construct, as well as providing necessary infrastructure to the site. However, it is likely that the stunning views and financial returns of condo-hotels, if developable in these conditions, will provide sufficient return to not require any financial subsidy.

E. Evaluation of Land Uses

Each land use described in this chapter was evaluated according to several key criteria, as follows:

- ◆ **Tax Revenue Per Acre:** Overall ability of the land use to generate property tax, sales tax, and/or hotel taxes.
- ◆ **Short-Term Market Support:** Likely to be well supported by market demand in next 5 years.
- ◆ **Long-Term Market Support:** Likely to be well supported by market demand in following 10 years.
- ◆ **Financial Feasibility without Subsidy:** General ability of land use to support new construction costs, without accounting for any extraordinary costs of developing on this site. This criterion will vary depending on the specific projects, and depending on the ability of the soils and infrastructure to support more intensive, urban development.
- ◆ **Living Wage Jobs Per Acre:** General wage structure of occupants above or below \$20 per hour.
- ◆ **Opportunities for Local Hiring:** General ability of land use to result in hiring of semi-skilled labor.
- ◆ **Known Community Support:** Based on community meetings and review of prior plans.
- ◆ **Supports Citywide Economic Development Goals:** Meets goals of recent City task forces.
- ◆ **Land Use Compatibility with Port:** Land use can co-exist with intensive multi-modal port uses, assuming appropriate urban design and siting of individual uses.
- ◆ **Contributes to Placemaking:** Can identify the site as Oakland's gateway to the world and create a place to attract people.
- ◆ **Minimizes Transportation Impacts:** Traffic from land use can be served

by non-automobile mechanisms and/or generates most traffic at off-peak hours.

The selection of land uses for the Gateway Development Area (GDA) involves many trade-offs among these criteria. For example, while logistics uses may serve to benefit Port of Oakland activities, which have positive economic benefits for the City of Oakland and the region, this use is typically not labor-intensive, consumes large amounts of acres at a unique site, and is less contributory to placemaking and branding of Oakland's gateway than other uses.

Figure 2-1 shows an evaluation of each land use described in this chapter, based on the above criteria. It should be noted that development of the GDA will require public-private partnerships to fully fund all necessary infrastructure, roadways and redevelopment costs. Each land use, and the combination of land uses in a cohesive plan, will require detailed analysis of financial feasibility to identify the need for public funding and subsidies. Thus, the rating of each land use in the evaluation matrix should be considered very generalized, and will depend on the specific project developed on the site.

	Tax Revenue/Acre	Short-Term Market Support	Long-Term Market Support	Financial Feasibility	Living Wage Jobs/Acre	Opportunities for Local Hiring	Known Community Support	Contributes to Placemaking	Supports Citywide Economic Dev Goals	Land use Compatibility w/ Port	Minimizes Transportation Impacts
Office/Research & Development											
General	○	○	●	○	●	○	○	●	●	○	○
Green/Clean Tech	○	○	●	○	●	○	●	●	●	○	○
Film/Media Industries	○	○	○	○	●	○	○	●	●	○	○
Logistics and Distribution											
Logistics	○	●	●	○	○	○	○	○	●	●	○
Warehouse	○	●	●	○	○	●	○	○	○	●	○
Truck Services	○	●	●	○	○	●	●	○	○	●	●
Retail											
Big Box/Power Center	●	●	●	○	○	●	○	○	○	○	○
Destination/Lifestyle	●	○	○	○	○	●	●	●	○	○	○
Hotel/ Lodging											
Luxury Hotel	●	●	●	●	○	●	N/A	●	○	○	○
Fractionals	●	●	●	●	○	●	N/A	●	○	○	○

CHAPTER 2: ECONOMIC DEVELOPMENT OPPORTUNITIES

Prior 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 assumptions 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 subareas, 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 Maritime Street. This area is the largest development site within the Gateway Development Area.
- ◆ **East Gateway.** This site is 33 acres south of West Grand and east of Maritime Street. It is adjacent to the future Port property and will be accessible to the North Gateway under the elevated freeways.
- ◆ **North Gateway.** This site is 28 acres, and includes the section 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 the site from the Army Reserve in November 2004. With the Agency's development of the future freeway auto mall in the North Gateway, the designations of Baldwin Yard and Subaru Lot will no longer be in use.
- ◆ **West Gateway.** The West Gateway is approximately 34 acres and is bounded by the Oakland Outer Harbor and Caltrans Bay Bridge facilities. It is highly visible from the Bay Bridge and I-80. Caltrans has a construction easement

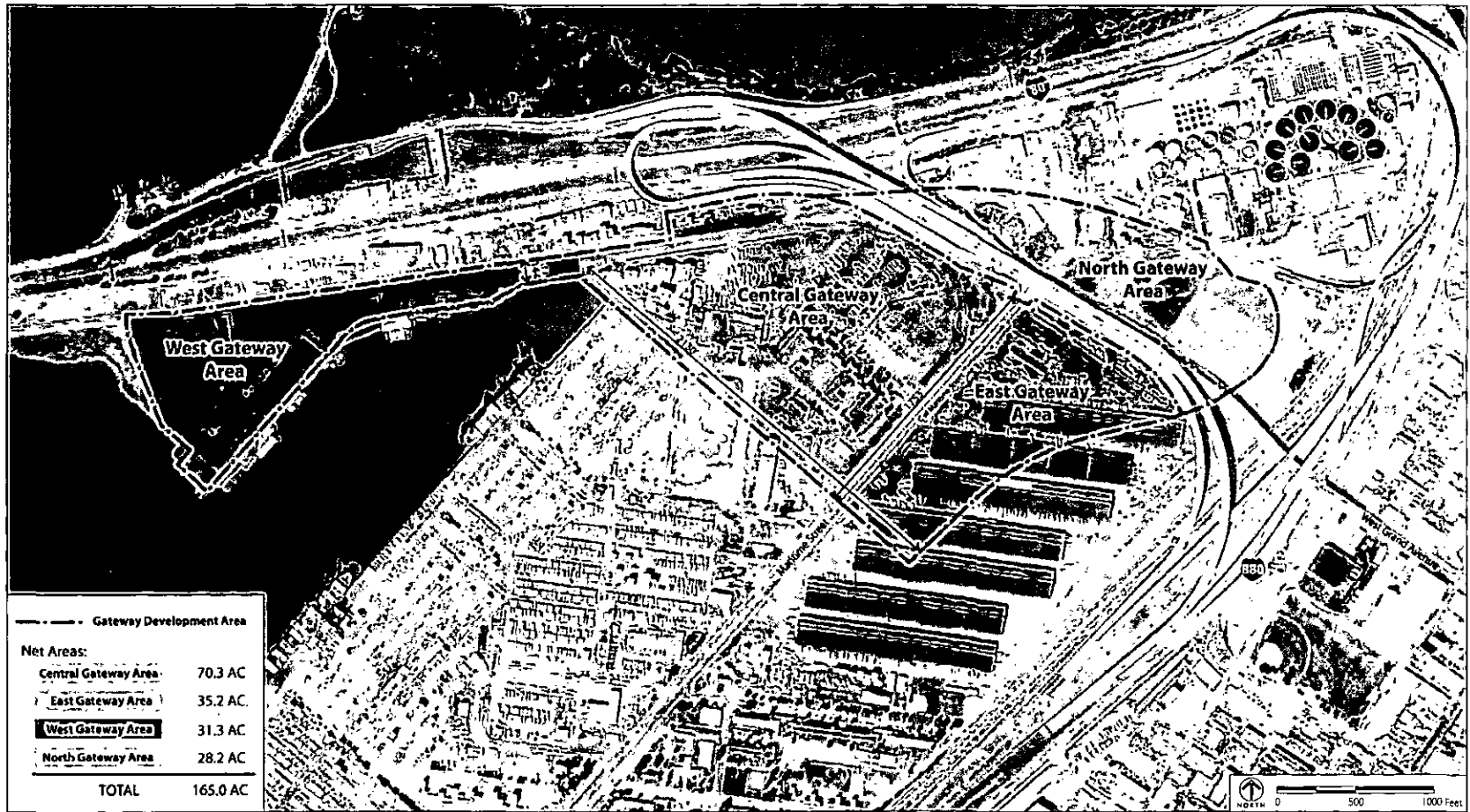
to use the majority of the West Gateway area for Bay Bridge construction staging through 2013; this could be extended longer if the bridge construction is delayed. Thus, this area is expected to be available for development some time after the rest of the site. As part of the Tidelands Trust Exchange Agreement with the State Lands Commission (see section C), a strip of waterfront land will be developed as a publicly-accessible open space "Shoreline Park."

B. Adjacent Uses

The properties 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 took title to approximately 131 acres of the the East of Maritime area of the Base, to be known as the Port Development Area, where it plans to build a new Outer Harbor 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
- ◆ **EBMUD.** A 50-acre East Bay Municipal Utility District (EBMUD) wastewater treatment plant borders the North Gateway site, creating a potential constraint due to associated odors when winds are blowing from 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, so that it could expand 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

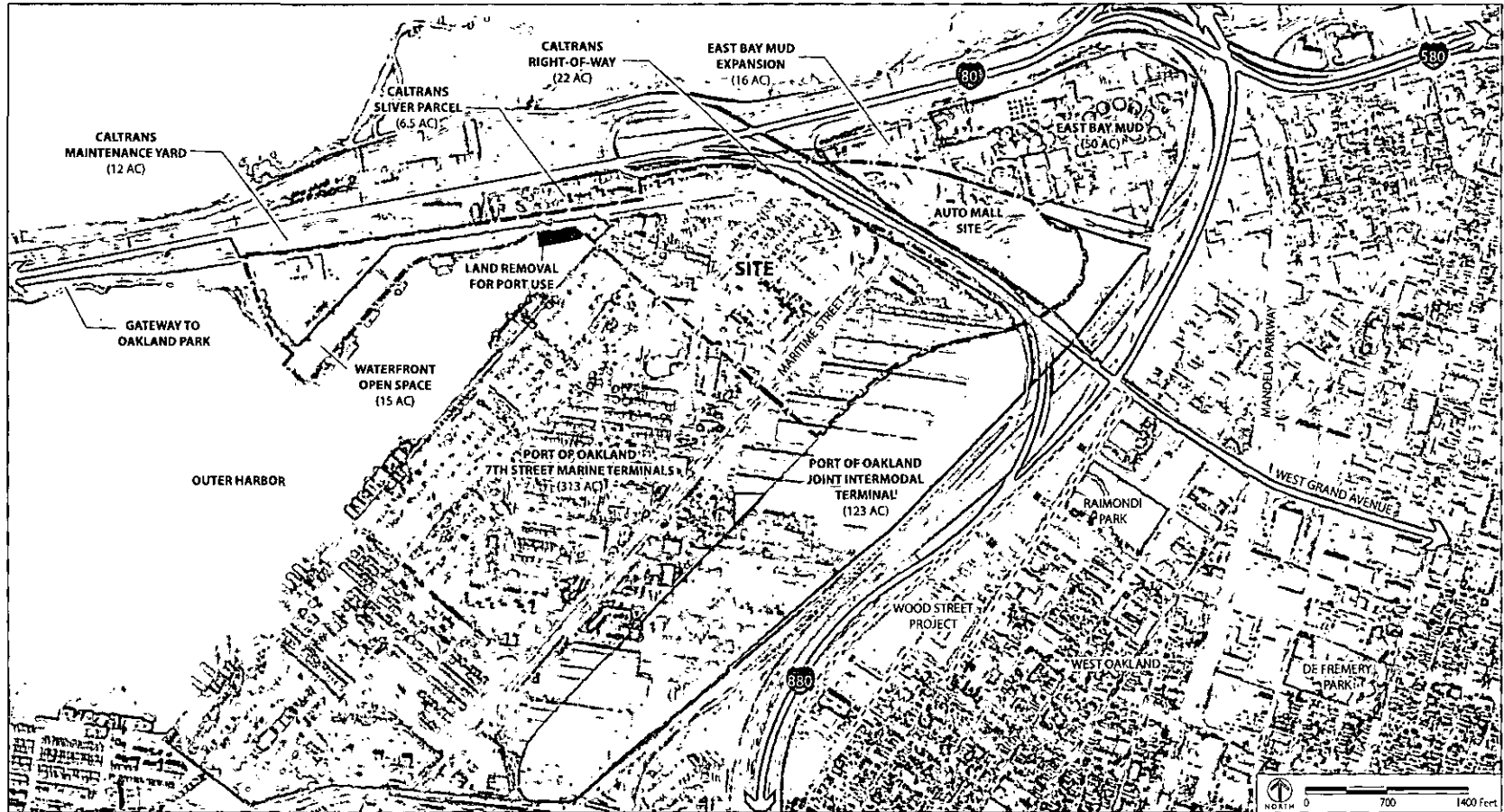
CHAPTER 3: SITE DEVELOPMENT CONSIDERATIONS



Pre-Development Planning for the Oakland Army Base Gateway Development Area
Oakland Redevelopment Agency

FIGURE 3-1
GATEWAY DEVELOPMENT AREA

CHAPTER 3: SITE DEVELOPMENT CONSIDERATIONS



Pre-Development Planning for the Oakland Army Base Gateway Development Area
Oakland Redevelopment Agency

FIGURE 3-2
SITE CONTEXT

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.** Emeryville has developed 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 Army Base adjacent to the Bay Bridge touchdown will be conveyed directly to the East

Bay Regional Park District (EBRPD) 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, including the waterfront open space at the West Gateway.

C. Site Assumptions

Since the publication of the Interim Final Report, development planning for portions of the GDA has gone forward. In addition, a number of existing policy and physical considerations have an impact on the development of the Gateway Development Area. These site assumptions are listed below:

- ◆ **General Plan Land Use Designations and Zoning.** The site is currently designated 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 Area, and thus there is no constraint to development.
- ◆ **Redevelopment Area Designation.** The former Oakland Army Base (plus the surrounding Port area and Wood Street area in West Oakland) was designated a Redevelopment Area in 2000. The designation provides a po-

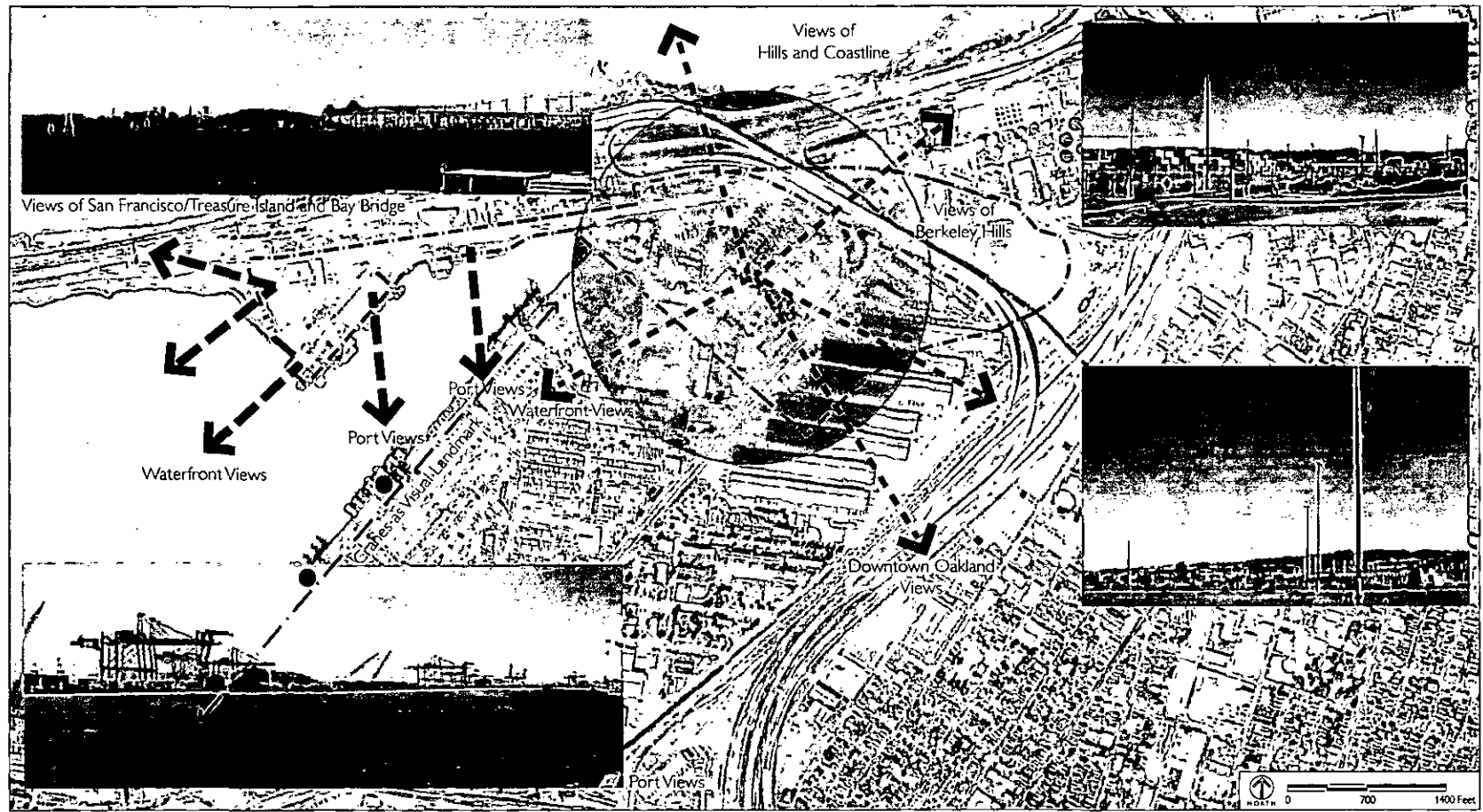
tential financing resource to assist the Agency in facilitating development of the Base.

- ◆ **Auto Mall.** In December 2005, the Agency Board approved a plan to create a “freeway auto mall” on about 24 acres of the North Gateway Area. Site and parcel planning and infrastructure design and engineering have been completed, and auto dealerships have been identified to locate there. Construction of the site infrastructure is expected to start in 2008.
- ◆ **Ancillary Maritime Support Services and Bay Conservation and Development Commission (BCDC) Use Requirements.** As part of its approval of the *Final Reuse Plan*, the San Francisco Bay Conservation and Development Commission (BCDC) required that OBRA and the Port each dedicate 15 acres of their respective development areas at the Base to ancillary maritime support (AMS) uses under BCDC’s “Port Priority Use” designation. 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 cargo uses. The *Final Reuse Plan* identified the former Baldwin Yard (in the North Gateway Area) as the GDA Port Priority Use location, with the understanding from BCDC that

once development plans for the Base were more defined, the location might change. Subsequent planning revealed that an East Gateway location would be preferable, since it would be closer to the Port Development Area. In January 2007, BCDC amended its plans to relocate the Agency’s 15 acres to a site in the East Gateway. In May 2007, the Agency Board authorized staff to commence the process to develop that portion of the East GDA in AMS uses. In June 2007, Agency staff issued a request for proposals (RFP) for the development of an AMS facility within the 15-acre site.

- ◆ **Historic Preservation.** The East Gateway includes portions of five 233,000 square foot warehouses (the “800 series”) built in 1941 and 1942 that fall within a historic district. The Army Base Environmental Impact Report (EIR) included a comprehensive analysis of the historic preservation issues associated with these buildings. Under the mitigations required by the EIR, the City/Agency cannot remove any of the buildings until it has an approved project for the East Gateway and completes a study to determine the feasibility of preserving and reusing the buildings. Although staff has completed a consultant study and determined that it is physically possible to reuse the buildings, more analysis is required to determine if it is economically feasible to preserve these build-

CHAPTER 3: SITE DEVELOPMENT CONSIDERATIONS



Pre-Development Planning for the Oakland Army Base Gateway Development Area
Oakland Redevelopment Agency

FIGURE 3-3
VISIBILITY AND VIEWS

ings. In addition, staff is working with the Port to coordinate anticipated deconstruction efforts to the extent possible, with the goals of maximizing the reuse of materials from the 800 series warehouse structures and engaging local contractors and job training programs in the work.

- ◆ **Tidelands Trust.** Portions of the former Army Base were subject to the public “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 and confirm trust boundaries, OBRA and the Port negotiated a trust exchange with SLC to remove the trust designation from the majority of GDA lands and confirm it on the adjacent Port Development Area. In 2005, OBRA, the Port of Oakland, City, Redevelopment Agency and SLC executed a Trust Exchange Agreement and the implementing state legislation (SB 674: The Oakland Army Base Public Trust Exchange Act of 2005) became law. As part of the terms of the trust exchange, approximately 15 waterfront acres of the West Gateway remain in the trust to be developed as open space with public access amenities. The configuration is generally determined, but the design of the open space is flexible and will be dependent upon the final land use configurations. This public

waterfront feature will link to the 15 acres of waterfront land being transferred to the EBRPD for the Regional 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 constrained 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, staff is conducting ongoing negotiations with Caltrans on the allowable uses, and it is possible that the uses could be expanded 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, down-

town 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 large 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 and points north and east of the Bay and carries approximately 284,000 vehicles a day. Prominent signage will be critical to the viability of the retail and other commercial establishments located at the GDA.

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 and eastbound 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 West Oakland BART station

is located approximately two miles from the former base. AC Transit buses connect the base with the BART station and downtown Oakland.

The road system within the Gateway Development Area may need to be redesigned to accommodate potential traffic circulation issues. First, trucks serving the Port of Oakland may need to travel through the GDA; this could result in traffic capacity problems at key GDA intersections, conflicts between passenger vehicles and trucks, and the potential of 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, the EIR stipulates a number of traffic mitigation measures which will be implemented at the time of development. In addition, the Agency and developers may wish to consider various other traffic-calming or traffic separation techniques.

At the North Gateway auto mall site, the Agency has planned new roads to serve the auto dealership parcels. Roads and intersections have been designed for traffic safety and to accommodate access and circulation within the site. Similar roadway design will be an essential element in planning each of the other subareas of the GDA.

The East, Central and West Gateway areas will need new utilities and infrastructure. Several existing utility lines may need to be removed or relocated as part of development.

It is vital that the Agency and the Port coordinate circulation and transportation networks, and utilities where possible, 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 and older industrial uses was found and characterized during City/Agency and Port investigation and testing. The former base is currently being remediated under a joint City-Port program to commercial and industrial standards under a Remedial Action Plan (RAP) and a Risk Management Plan (RMP) approved by the California Department of Toxic Substances Control (DTSC). These agreements, as well as a DTSC-approved Covenant to Restrict Use of Property

(CRUP), establish the clean-up goals and reporting procedures, restrict the uses of the former Army Base property, and are binding on eventual developers and future owners of the property.

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. Because of the potential for additional building costs, vertical development could be more cost-effective and would maximize the use and coverage of the site.

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 became available for development beginning in August of 2006. The West Gateway will not be available until approximately 2013 due to 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 support uses as a result of a BCDC requirement.
- ◆ Land under the elevated freeways can only be used for unladen truck parking, roadways, landscaping, and utilities.
- ◆ Per the requirement of the 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 and traffic circulation must accommodate truck traffic serving the Port of Oakland.
- ◆ The site will be cleaned to the standards of commercial and industrial uses, which will restrict allowable development.
- ◆ Due to the presence of fill, all new buildings will require either piles or foundations with special footings.

In this chapter, the land uses analyzed in Chapter 2 are assembled into four distinct development scenarios, each with an emphasis on one or more specific uses. These four conceptual site alternatives for the Gateway Development Area are based on stakeholder interviews, the Expert Panel, the Oakland Army Base Market Scan and Opportunities and Constraints Report, and on the development planning that has taken place since conveyance to the Agency in 2006. These alternatives are intended to present the Agency with distinct, yet viable alternative visions for the GDA 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.

The four alternatives are designated as:

1. **Eco-Oakland**, which focuses on providing flexible, primarily light industrial land uses that support the green technology and 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 also capitalizes on the site's high visibility and access to transportation to attract advanced technologies and creative industries;
4. **Mixed Use Oakland**, which combines elements of Destination Oakland and Gateway Oakland, with the largest emphasis on logistics and other maritime serving uses to build on synergies with the Port.

The following discussion describes the land uses, urban design concepts and circulation issues for each alternative. Each is then followed by a land use diagram, a circulation diagram and an illustrative diagram showing the urban design and building massing concepts. These concepts will be subject to further refinement as the development process for the GDA site moves forward.

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 various economic development initiatives of the City of Oakland. The Eco-Oakland alternative combines logistics and other maritime support uses, a green technology park, flex office uses and the freeway auto mall. This alternative would allow many industrial land uses, such as green technologies or other R&D, private recycling facilities, logistics and truck services, and other industrial activities to move to the GDA site. The land uses are shown in Figure 4-1.

1. Land Use

Approximately 56 acres are dedicated to maritime-related logistics, occupying all of the East Gateway and sections of the Central Gateway, to be contiguous with the Port and its planned Outer Harbor Intermodal Terminal. The site plan includes large parcels that can be internally configured to meet the needs of each user. The BCDC requirement for 15 acres of ancillary maritime support uses is fulfilled with logistics center uses.

Green technology uses also form a key theme of this alternative and are concentrated primarily on the northwest side of the Central Gateway, for a total of approx-

imately 31 acres. The business activities and tenants in a green technology park could vary widely, including “clean-tech” and alternative energy R&D, manufacturing and sales of building products using recycled materials, or manufacturing of products using materials recycled on-site. This concept may also accommodate one or more recycling businesses located in West Oakland, depending on the financial structure of the new complex at the GDA.

The entire North Gateway is being planned as a freeway auto mall, with as many as six auto dealerships located on newly-designed parcels there.

Finally, the West Gateway is identified for office uses. Although planning for this area 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.

2. Circulation and Urban Design

The street layout envisioned for the redeveloped Gateway Development Area is similar in all four alternatives. In each alternative, the intersection of Maritime Street and West Grand Avenue forms the basis of a standard grid and orientation for the subareas. It also serves as a complicating factor for traffic wishing to enter the GDA, since it carries general traffic off of

the eastbound Bay Bridge and is a major access point for trucks serving the Port of Oakland. Maritime Street is the central spine of the GDA, running between the East and Central Gateway areas. Maritime will extend in a straight alignment northward from West Grand, providing the main access into the auto mall.

West Grand Avenue separates the North Gateway from the other subareas. With development of the new auto mall, the North Gateway will be connected by a more coherent street design to the rest of the GDA. Across the eastern portion of the auto mall, a new road will take vehicles southward under the elevated freeway structure to connect through to the East Gateway. In the East Gateway, this road will curve west, and will cross Maritime Street to form a central new east-west road in the Central Gateway. The layout of interior streets within the Central and East Gateway areas will vary by development alternative, and will form a grid structure that provides flexibility to accommodate the variety of users envisioned.

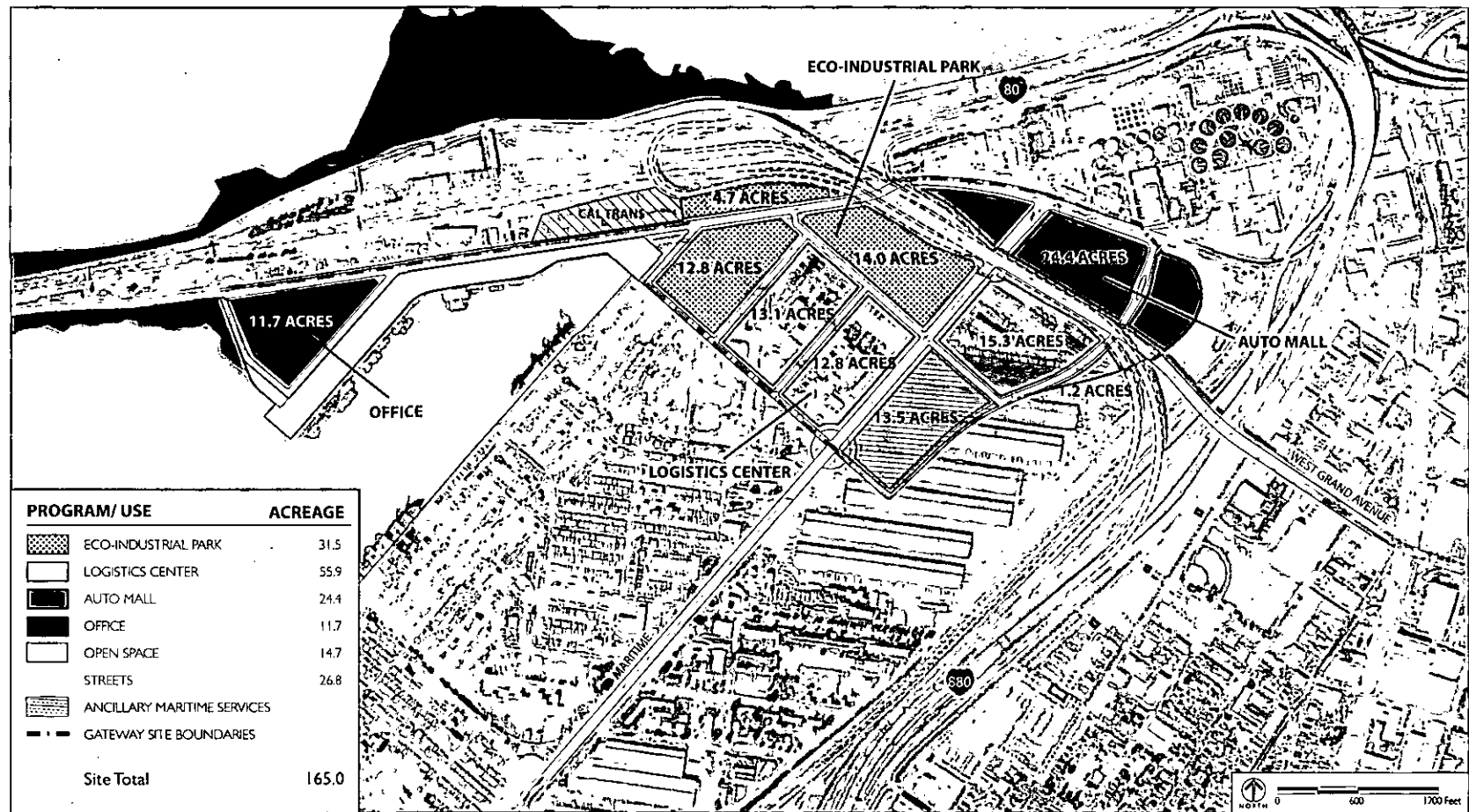
For the eco-industrial park, the ecological approach of this alternative can be complemented by a network of trees and landscape elements that establishes a consistent framework and further integrates industrial uses into the city. At both the north and south access points from Maritime, an opportunity for some type of gateway element, such as signage, landscaping or art, is also included.

Because truck traffic 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 is provided in the Eco-Oakland alternative, to help ensure that traffic levels of services on Maritime Street and West Grand Avenue are not negatively impacted. This road would follow the curved road of the East Gateway south along the common eastern boundary with the Port, continuing across Maritime along the southern boundary of the GDA. Traffic would also be able to access the Central and West Gateways via a new east-west road that cuts across the Central Gateway. Careful planning and coordination with the Port of Oakland on traffic considerations is required to ensure the success of this alternative.

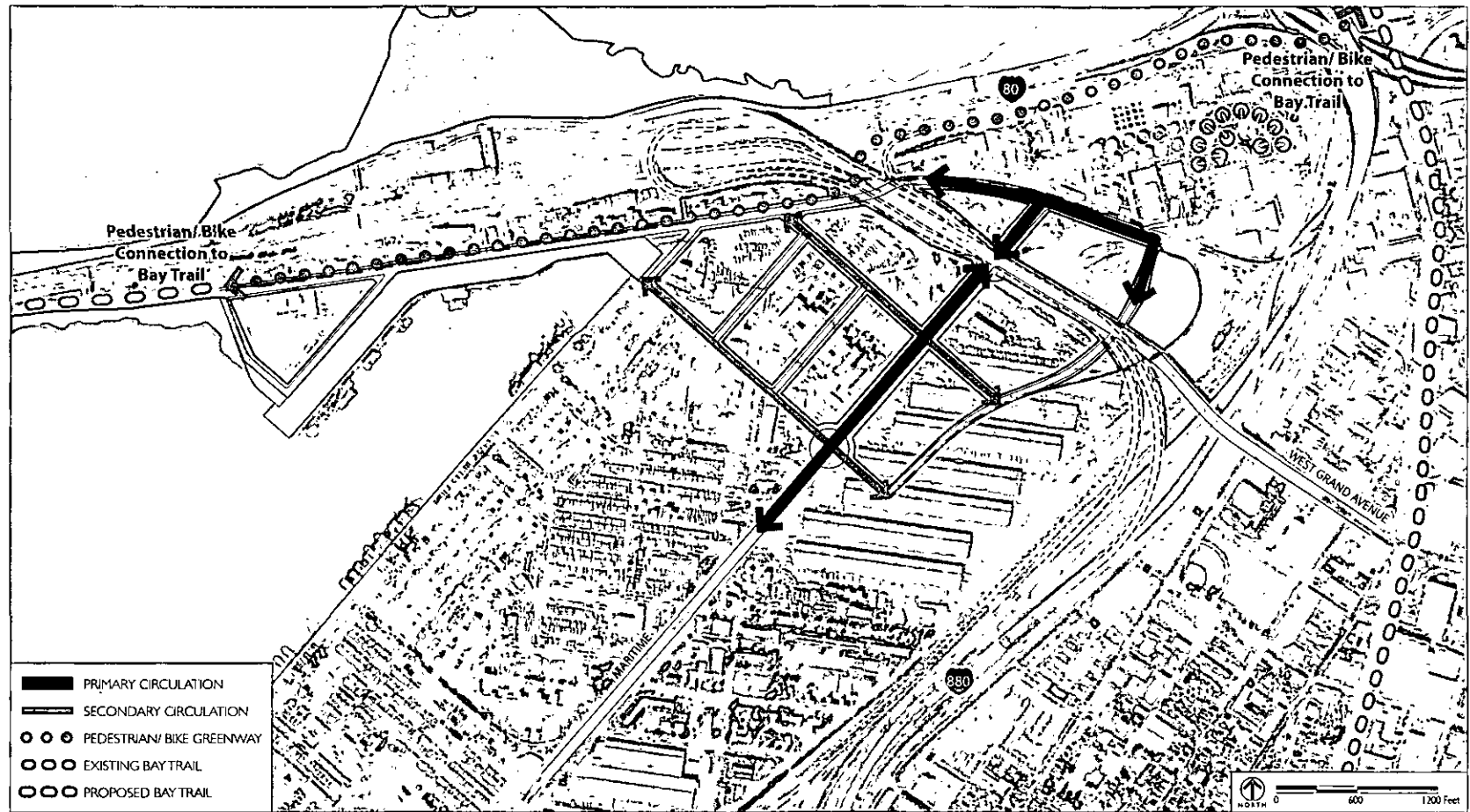
Pedestrians and bicycles are also accommodated in the Eco-Industrial alternative, as well as in the other three alternatives. The Bay Trail currently runs along Mandela Parkway in West Oakland, and it is envisioned that a pedestrian/bicycle link can be established to bring an extension of the Bay Trail out to the West Gateway waterfront open space and the future Eastshore Park. Coordination with Caltrans, EBMUD, the EBRPD, and other adjacent property owners and regulators will be critical in achieving this goal.

Figures 4-2 and 4-3 show the circulation system and illustrative site plan for the Eco-Industrial alternative.

CHAPTER 4: SITE ALTERNATIVES

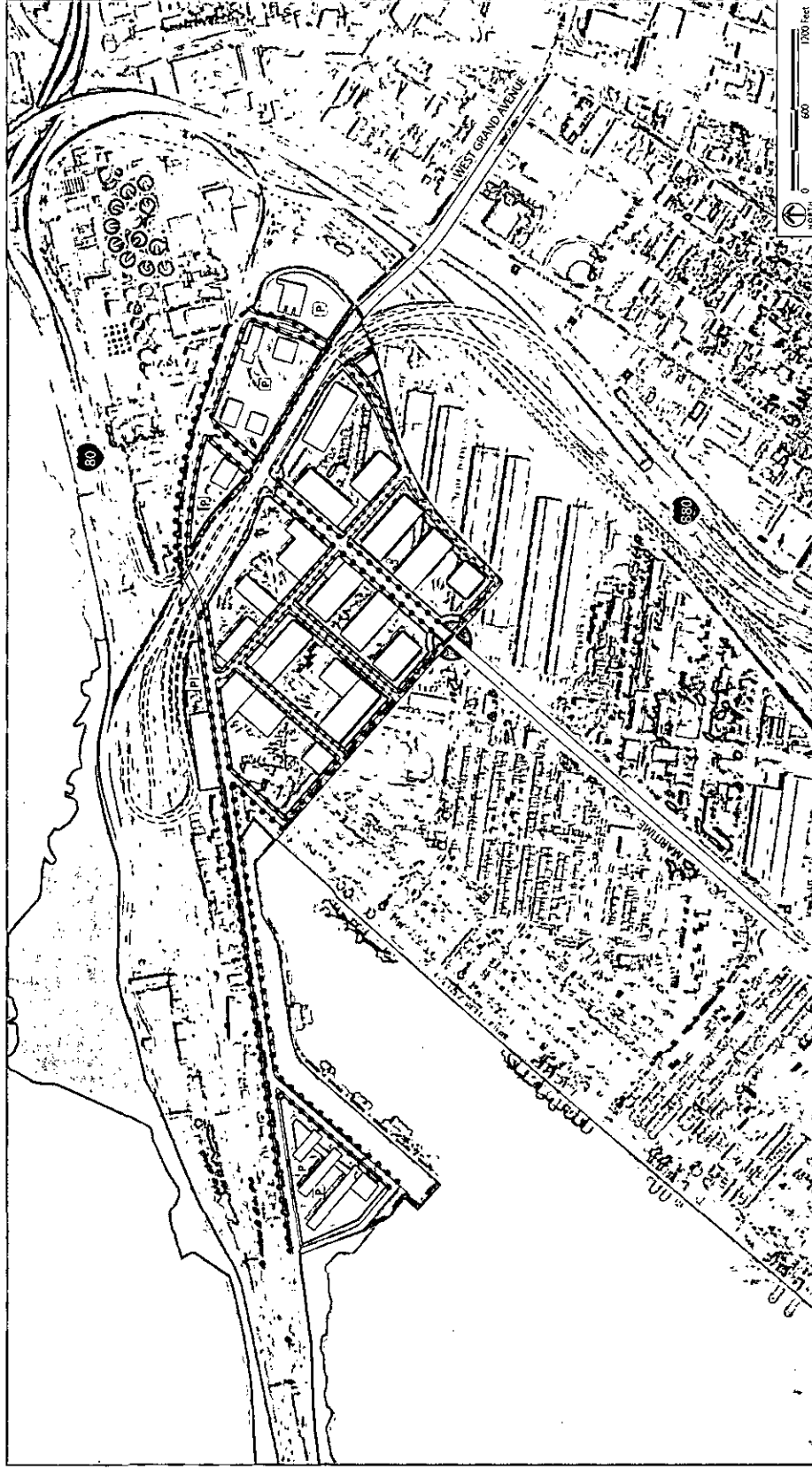


Created by SMWM, June 2005; revised by OC&E, September 2007



Created by SMWM, June 2005; revised by DC&E, September 2007

CHAPTER 4: SITE ALTERNATIVES



Created by SHWM, June 2005; revised by DC&E, September 2007

B. Alternative 2 - Destination Oakland

The focus in Destination Oakland is to provide 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. The retail uses are divided between urban auto sales showrooms and a big box-anchored retail power center. Additional space is provided for logistics and truck services, creative industries or other advanced technologies, and a hotel/residential tower. Figure 4-4 shows the land use pattern of this alternative.

1. Land Use

The primary focus of this alternative is a retail main street in the Central Gateway. Approximately 42 acres of the Central area are devoted to the retail power center, which could include one or more big box retailers, as well as smaller retail outlets. This retail main street is oriented to provide views and access to the future open space of the West Gateway. Additional retail would be located at the intersection of Maritime Street and West Grand Avenue on a small parcel of the East Gateway, potentially with auto-oriented retail.

At the lower end of the Central Gateway, about 11 acres are designated for creative industries or other advanced technologies. This space also could be utilized to locate

the small food manufacturers currently seeking expanded space within Oakland (see discussion in Chapter 2). The food manufacturers have a retail component, which could enhance the main retail activities by providing dining options, tours of their facilities and other interesting activities. These uses could serve as a buffer between the retail center and the maritime uses on the adjacent Port property, and also could benefit from the distribution facilities nearby.

Just across Maritime Street, nearly 29 acres of the East Gateway is dedicated to logistics and 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 maritime support uses.

Auto sales activities make up approximately 29 acres in this alternative, occupying the North Gateway and a sliver of land adjacent to the Central Gateway. The freeway auto mall is shown in the illustrative plan with a traditional auto dealership layout, including surface storage and display of vehicles. However, it could also be designed to employ structured parking to create a vertically-organized structure for display and storage of vehicles, relying less on surface parking. This approach would be more pedestrian-friendly and would help to integrate the auto dealers and retail power center into a synergistic develop-

ment. With exposure from the I-80 and I-580 freeways, the auto mall has great potential for visibility.

As in all four alternative scenarios, the development of the West Gateway will occur after 2013. 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 strong sense of identity to the site. The concept could be adjusted to meet market demand but could also accommodate a fractional resort or timeshare.

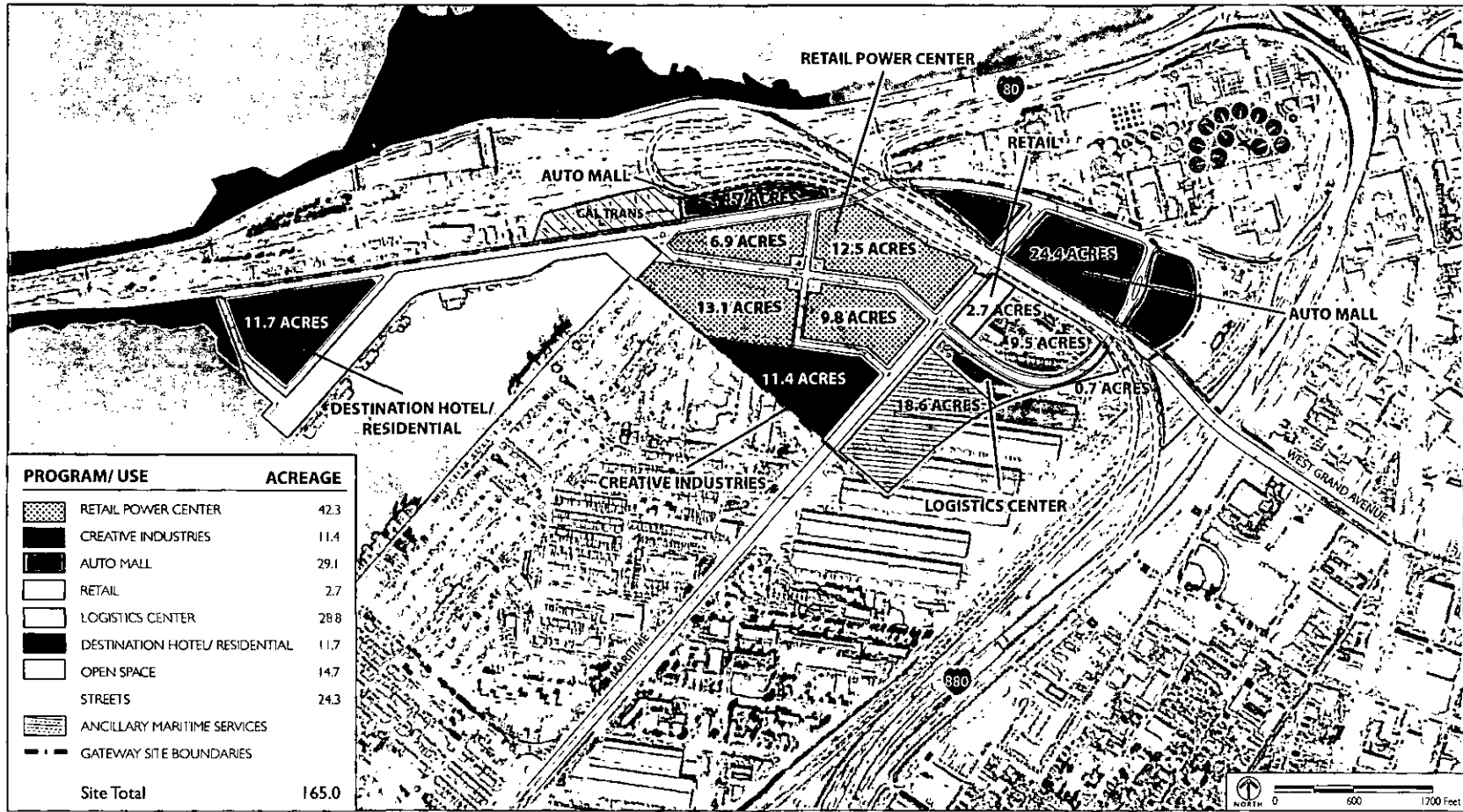
2. Circulation and Urban Design

The conceptual site plan for the retail power center focuses the retail users around a main street and central gathering plaza, as part of a cross-grid of north-south and east-west roads in the Central Gateway. These roads provide corners within the retail complex that serve as focal points. Direct views to the waterfront, the Bay, and the new east span of the Bay Bridge, along with additional public access to the adjacent waterfront open space, provide the retail center with a strong sense of place and identity. Parking is provided both in structures and in surface lots. The retail parcels all benefit from visibility from the Bay Bridge freeway approach and, to a certain extent, from their adjacency to Maritime Street. However, because

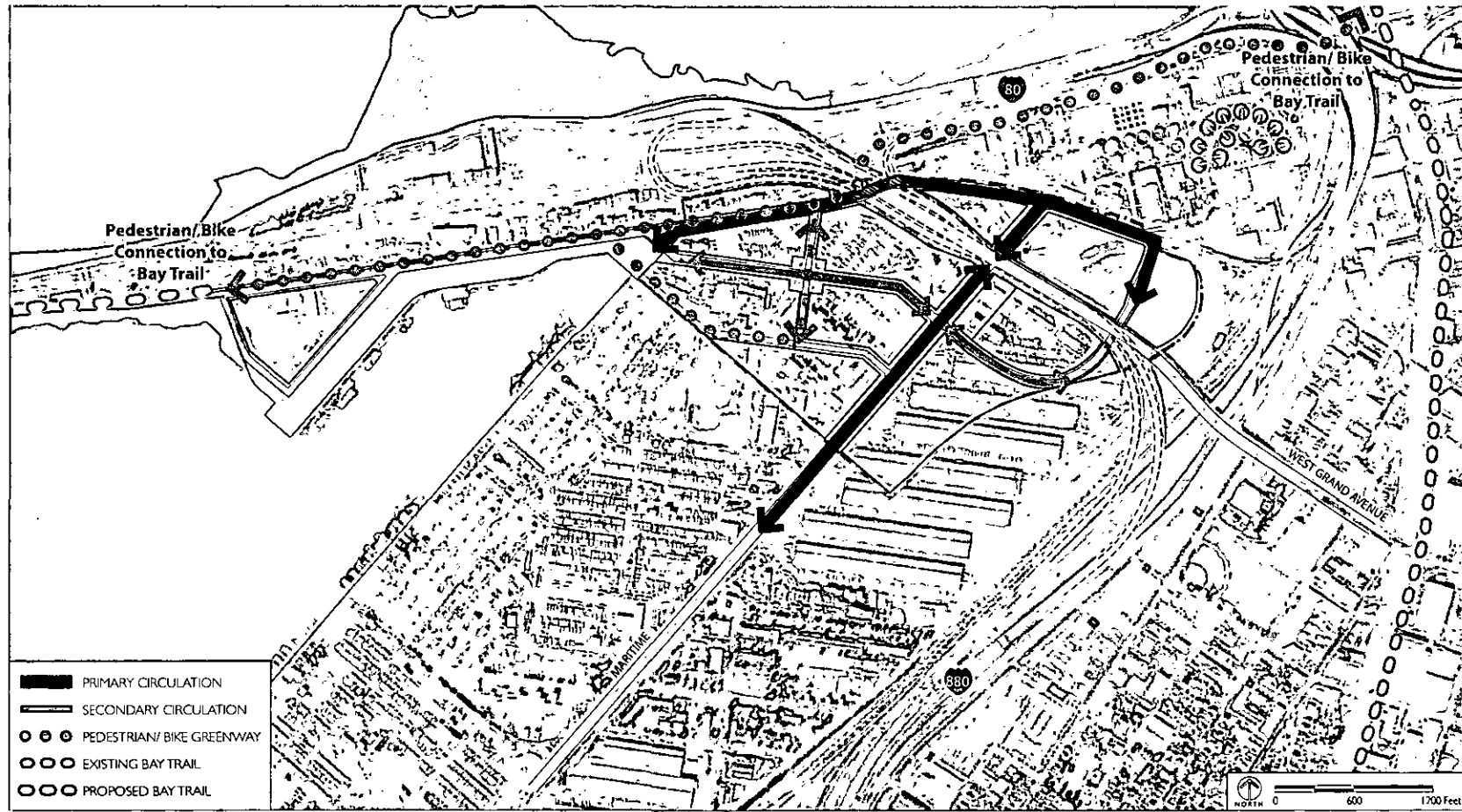
ensuring separation from retail users and Port-serving truck traffic is a paramount concern, the stores would front on the interior of the Central Gateway. Vehicular access would be provided by the new east-west road that crosses Maritime from the East Gateway. This road would also serve to bring potential retail customers into the Central Gateway from the auto mall.

Auto mall customers will benefit from the circulation for the North Gateway, which frames the auto sales center. A road around the north of the auto mall provides easy access to all the dealerships and allows for vehicle test drives. A coordinated layout of auto dealers around the curved road reinforces the unique character of the freeway auto mall.

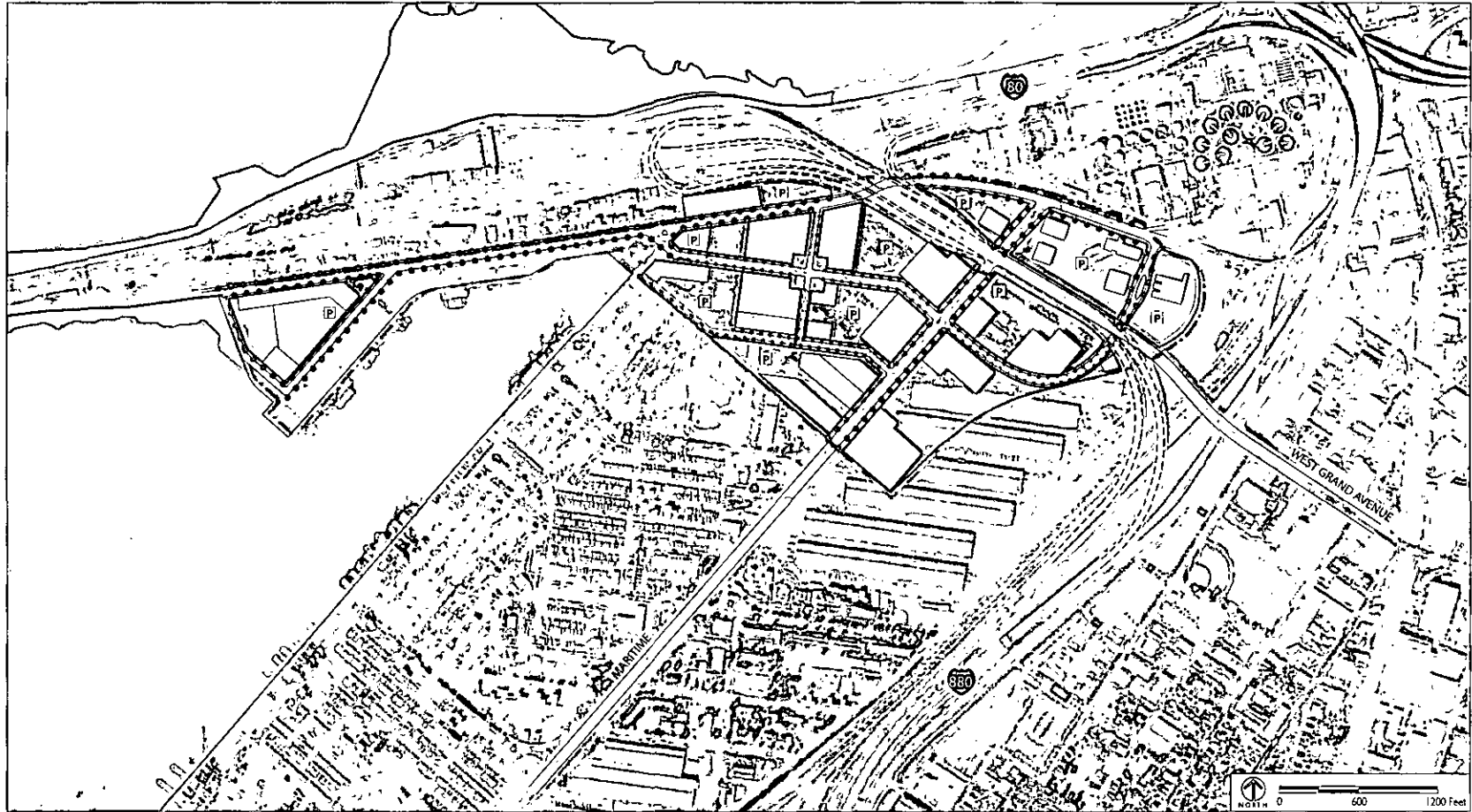
Figures 4-5 and 4-6 show the circulation system and illustrative site plan of this alternative.



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C. Alternative 3 - Gateway Oakland

The Gateway Oakland alternative capitalizes on the site's high visibility to attract advanced technology industries seeking a location with "branding" opportunities through signage or iconic buildings. Research suggests that such businesses would prefer to build vertically, to maximize their investment and their visibility. This alternative also captures the land uses that benefit from the site's access to transportation for both customers and materials. At the heart of one of the most prolific regional centers for biotech and other advanced technologies, the former Oakland Army Base can offer much needed expansion space for existing Bay Area research and development companies and attract new businesses to the area, due to its proximity to synergistic industries and academic centers.

Film production technologies are also included in this alternative. As discussed in Chapter 2, this use was identified as desirable both by the City of Oakland, which currently operates a film production incubator site on the former Army Base, and by industry representatives who indicated a lack of permanently dedicated film production space in the Bay Area. The land uses for the Gateway Oakland alternative are represented in Figure 4-7.

1. Land Use

Gateway Oakland envisions an advanced technology business park, which could include R&D activities and flex office facilities. Concentrated on approximately 45 acres in the Central Gateway area, the parcels are laid out in large superblocks that could be internally configured to meet the needs of the end user.

Space for film production is called out separately here, to distinguish it from the R&D manufacturing activities; both of these uses are examples of the "creative industries" described elsewhere in this report. An area of about 11 acres is dedicated to film and media activities, located at the southern end of the Central Gateway, potentially serving as a buffer for the Port's activities. This site was chosen so that the freeways and railroads would have less impact on the filming and technical activities in terms of noise and vibration. Adequate space is available for digital effects and post-production facilities, warehousing props and production equipment, a soundstage or production facility and other film production support activities.

Although not indicated on the land use diagram, it is assumed that the office, R&D and creative uses would require amenities such as food providers and other services. The large parcel sizes will accommodate buildings that include these uses within them.

Logistics is also a major land use in this alternative, with the entire East Gateway area, approximately 34 acres, adjacent to the Port and the Outer Harbor Intermodal Terminal, dedicated to logistics and related uses. Although the acreage for logistics in this alternative is less than the 56 acres identified for Eco-Oakland, research indicates that this lesser amount is still viable. The BCDC requirement for 15 acres of ancillary maritime support uses is fulfilled with logistics center uses.

As in the other alternatives, the approximately 24-acre North Gateway is to be developed as a freeway auto mall.

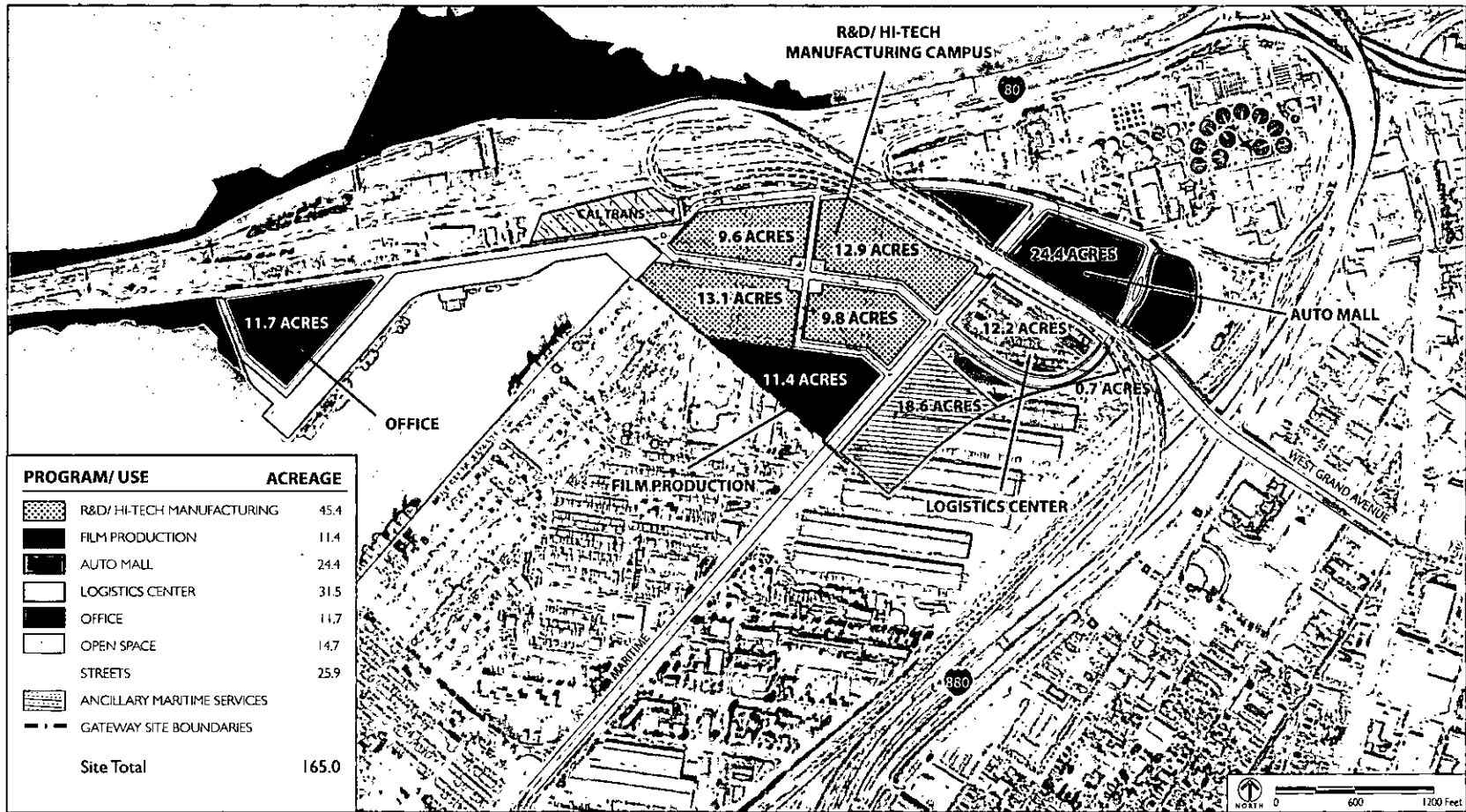
As in Eco-Oakland, the West Gateway would contain office uses, which could relate to the research and development area. Although planning is very preliminary for this site due to its longer development timelines, the plan envisions an office tower providing an iconic statement for the “gateway” to Oakland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

2. Circulation and Urban Design

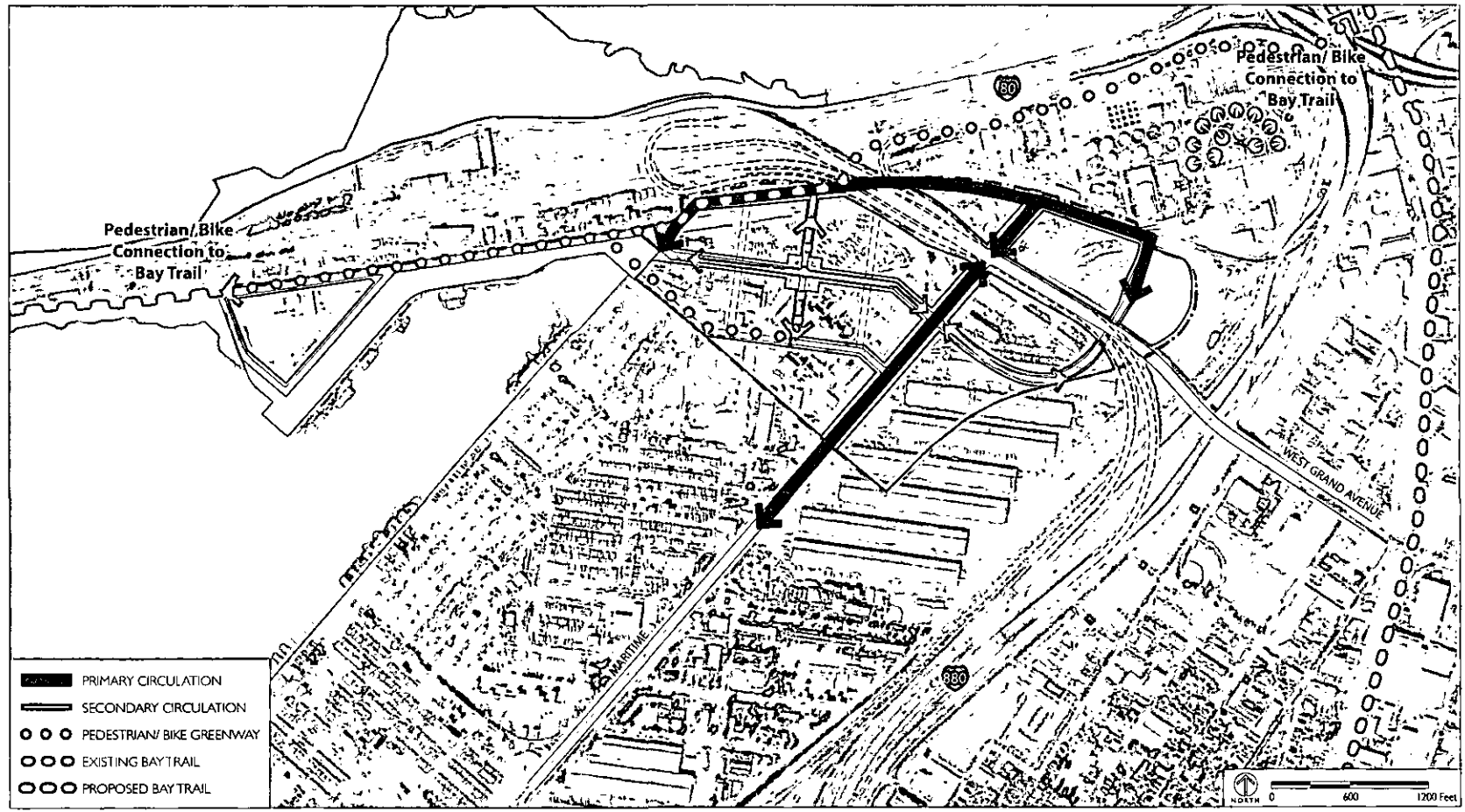
The circulation pattern for Gateway Oakland is virtually identical to that of Destination Oakland, with the same interior and connecting roads and the same type of central gathering feature at the interior crossroads of the Central Gateway. However, the illustrative plan for this alternative reflects the smaller building

footprints and interior gathering spaces that are required by advanced technology businesses. It is expected that users of the advanced technologies’ offices and R&D facilities would require the amenities offered by outdoor spaces, locations for food purveyors, and access to open space. All of these amenities are provided in this alternative.

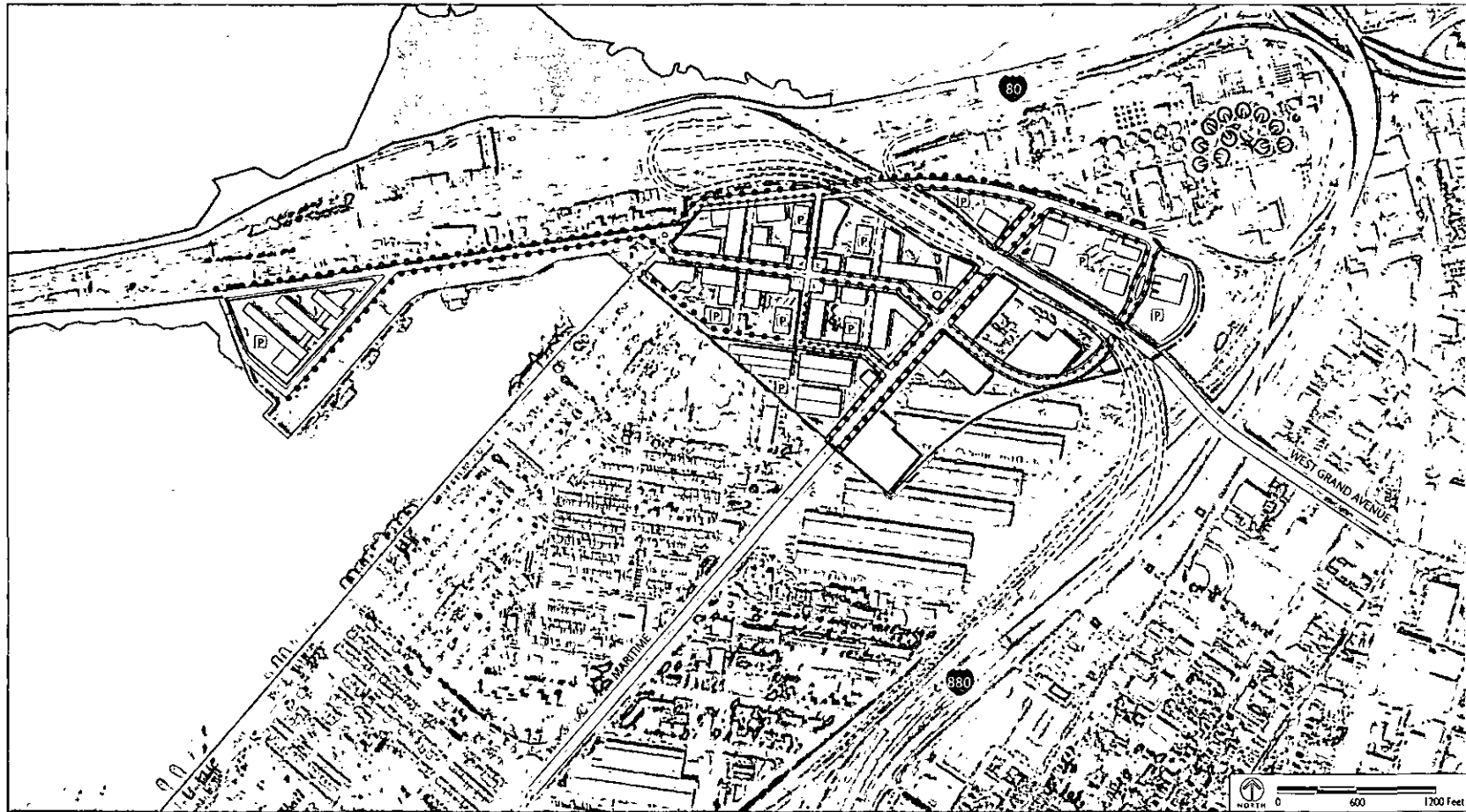
Figures 4-8 and 4-9 show the circulation system and illustrative site plan of this alternative.



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D. Alternative 4 – Mixed Use Oakland

The Mixed Use Oakland alternative provides an opportunity to incorporate the strengths of the other development alternatives in a plan designed for maximum utilization of the site's benefits and its potential to capture the most viable market uses. Mixed Use Oakland includes a strong logistics and trucking component; a highly-visible creative industries/office site; a retail power center of selected big box stores; and the freeway auto mall. The land uses for the Mixed Use Oakland alternative are represented in Figure 4-10.

1. Land Use

Maritime logistics and truck services occupy 29 acres, nearly all of the East Gateway, along with 13 acres of the Central Gateway area, totaling 42 acres. The exact allocation of truck parking, truck services, distribution and higher-tech logistics uses can be determined over a phased development period, if necessary. Factors that could affect the final site layout include the outcome of the current Ancillary Maritime Support Services (AMS) developer selection process, the complementary and/or adjacent Port development, and the direction of the market. The BCDC requirement for 15 acres of ancillary maritime support uses is fulfilled by logistics center uses.

Advanced and creative technologies that would benefit from the high visibility of the site, and potentially from proximity to Port activities, are located on approximately 18 acres at the western and northwestern sections of the Central Gateway area.

Also sited with freeway visibility and frontage along Maritime Street, the retail power center will occupy a total of nearly 23 acres. As with the logistics/trucking and the advanced technology flex office/R&D uses, the ultimate configuration of the retail areas will be determined by the requirements of the eventual users. Additional retail uses would be located at the intersection of Maritime Street and West Grand on a small parcel of the East Gateway.

The auto mall makes up approximately 29 acres in this scenario. Auto sales activities occupy the entire North Gateway and a sliver of land adjacent to the Central Gateway area. As the first development at the GDA, it is expected that the freeway auto mall will demonstrate the strong retail potential for the site, helping to build the GDA as a regional retail destination.

As in all alternatives, the development of the West Gateway will occur after 2013. As such, the specific 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 offices and a destination hotel,

including a tower that brings a sense of identity to the site. This concept could be adjusted to meet market demand but could also accommodate a fractional resort or timeshare.

2. Circulation and Urban Design

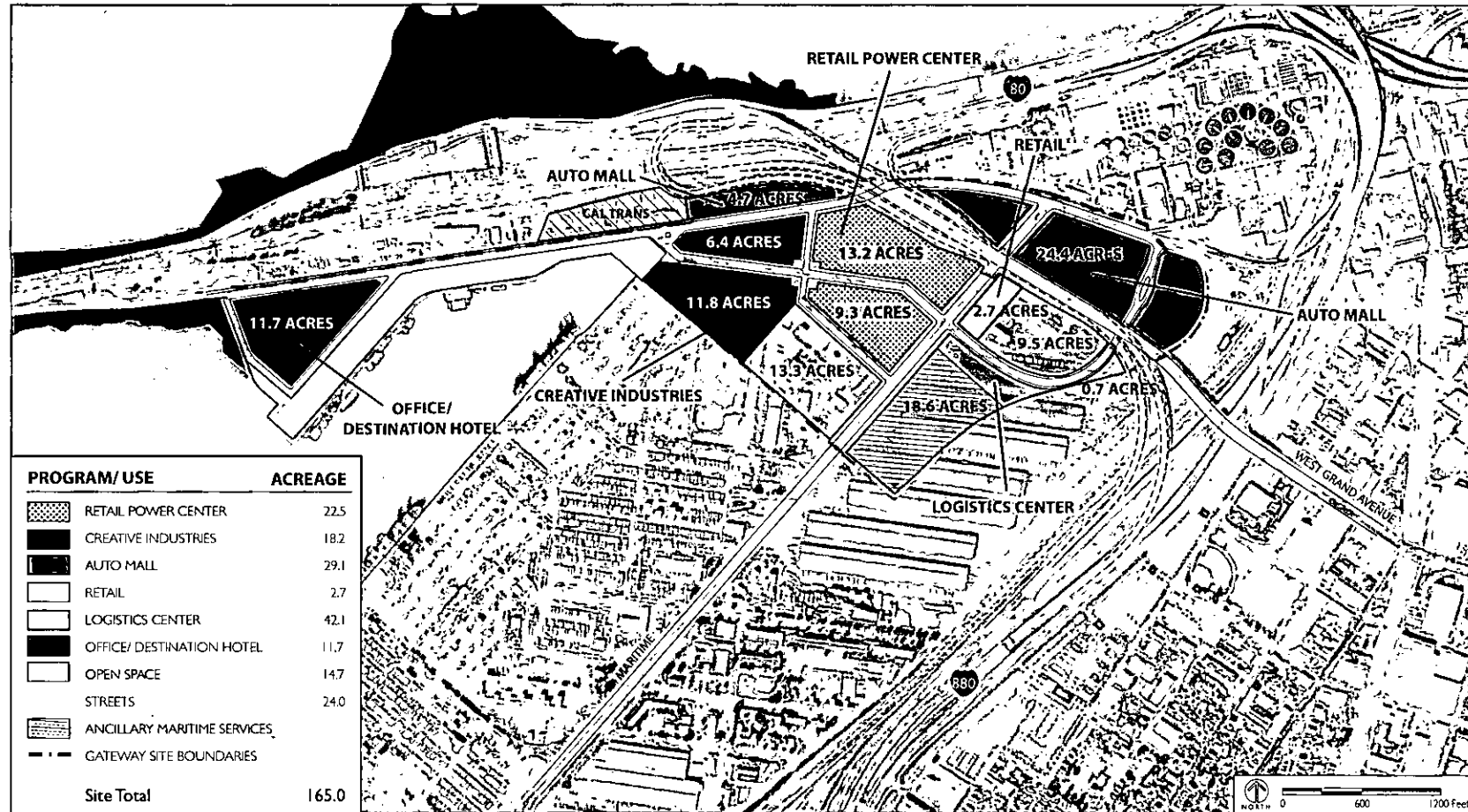
The site plan for this alternative combines the features of Destination Oakland and Gateway Oakland, utilizing a grid of interior roads within the Central area to provide access and a central focal point. The retail and creative industries parcels are arranged along the north side of the Central Gateway, benefiting from the visibility of the Bay Bridge freeway off-ramp. The creative industries parcels lie adjacent to the waterfront access and, at the south end, contiguous to the logistics center uses. The retail parcels are located closer to Maritime Street for greater visibility. Parking is provided both in structures and in surface lots. As with the other alternatives, because separation from Port-serving truck traffic will be essential in providing a viable retail and office space, retail and office uses would front on the interior of the Central Gateway. Vehicular access would be provided by the new east-west road that crosses Maritime from the East Gateway. This road would also serve to bring potential retail customers into the Central Gateway from the auto mall.

Auto mall customers will benefit from the circulation for the North Gateway,

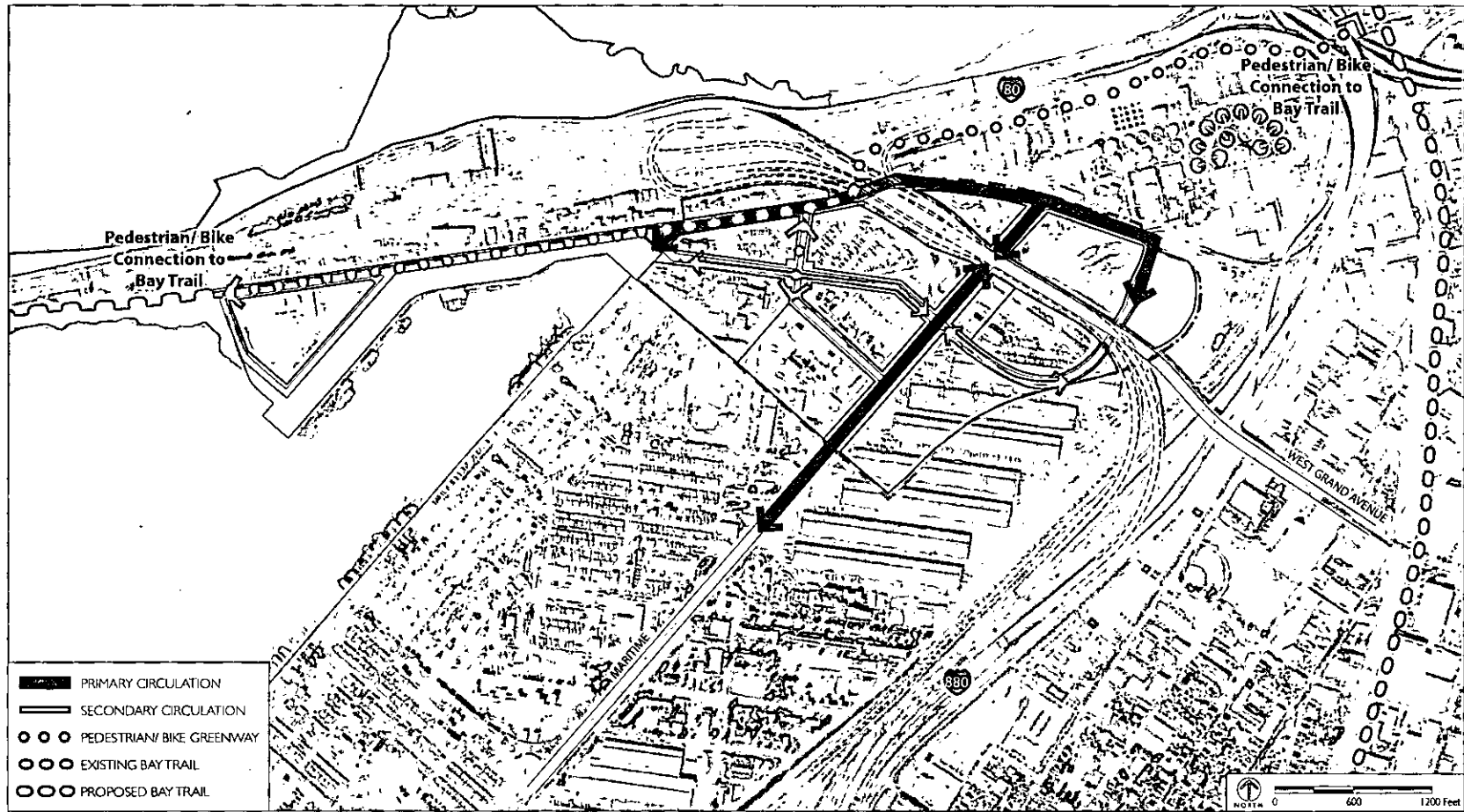
which frames the auto sales center. A road around the north of the auto mall provides easy access to all the dealerships and allows for vehicle test drives. A coordinated layout of auto dealers around the curved road reinforces the unique character of the freeway auto mall. With exposure from the I-80 and I-580 freeways, the auto mall has great potential for visibility.

Figures 4-11 and 4-12 show the circulation system and illustrative site plan of this alternative.

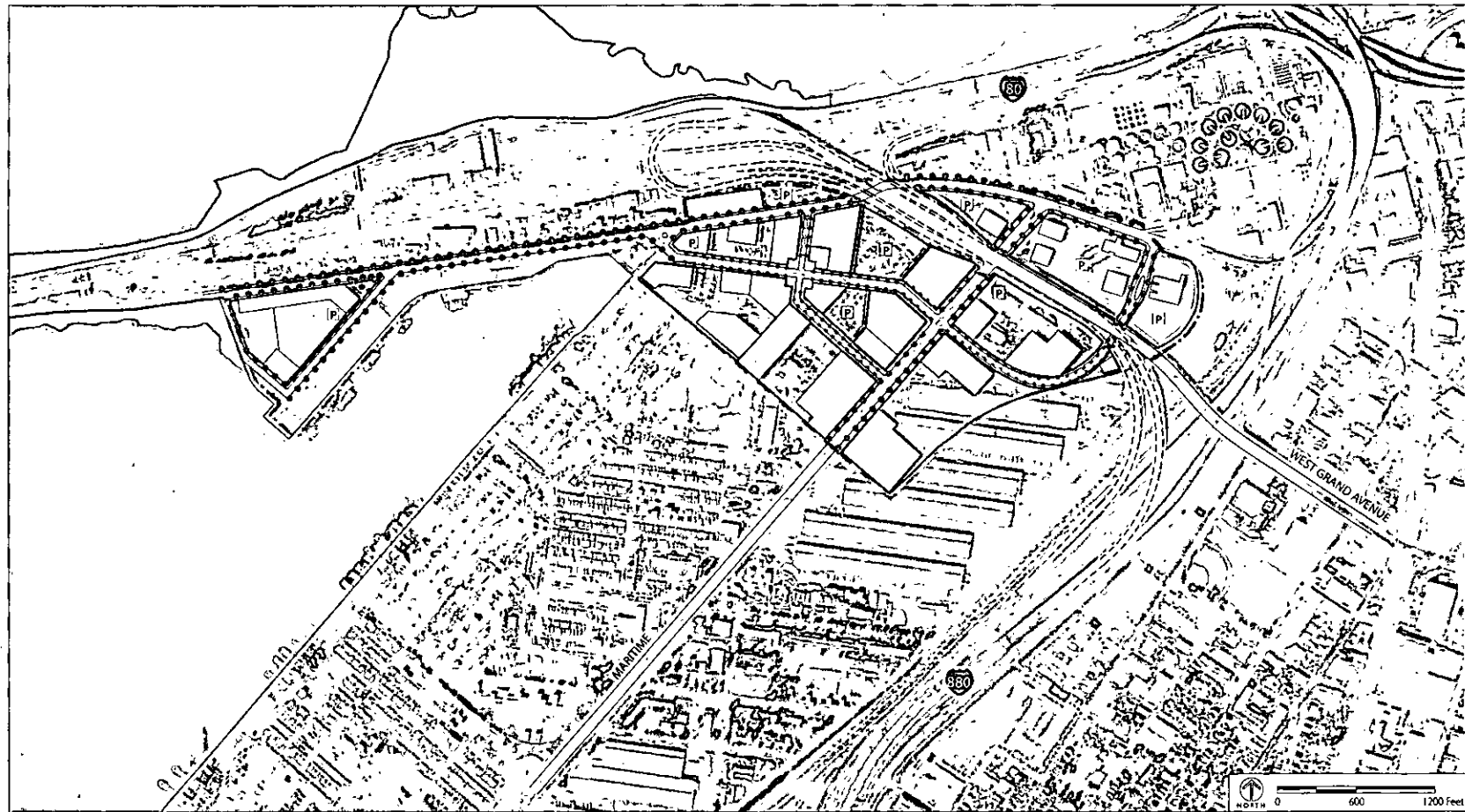
CHAPTER 4: SITE ALTERNATIVES



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This chapter presents the results of a brief quantitative and qualitative analysis of the four alternatives presented in Chapter 4. The analysis evaluates the alternatives based on a range of criteria similar to those presented in Chapter 2 of this report. Developed during the stakeholder interview process, the criteria address a range of goals for the Gateway Development Area and for the City of Oakland as a whole.

The analysis in this chapter does not make a recommendation on the single best alternative for the City. Rather, it is designed to allow policymakers to compare alternatives and understand the advantages and disadvantages of each based on the criteria presented. The evaluation of each alternative can serve as useful tool for helping policymakers make informed decisions about alternative development scenarios for the GDA.

Because the analysis for each alternative applies to a defined package of land uses that should be considered as a whole, several of the evaluation criteria presented in Chapter 2 were modified from a “per acre” calculation to an overall estimate for the entire GDA. These criteria include sales tax revenue and living wage jobs.

For each criterion, specific qualitative and quantitative information is provided along

with an assessment of whether the alternative is “strong,” “moderate” or “low” in meeting the outcome compared to the other alternatives. The results are presented in Figure 5-1, and the evaluation of each alternative is summarized in the following sections.

A. Alternative 1: Eco-Oakland

The Eco-Oakland alternative is expected to provide a total of 4,200 jobs, including a high proportion of living wage jobs, with an annual payroll of \$259 million. These jobs will provide strong opportunities for local hiring. Annual combined tax revenues are estimated at \$10.6 million. Although there is only moderate short-term market support for the eco-industrial park proposed in this alternative, the short-term support for other uses, including the logistics center and auto mall, is expected to be strong. In the long term, after 2012, strong market support is expected for all of the uses in this alternative. It is likely that the eco-industrial park will require a subsidy in its early stages, and other uses may also require subsidies if the site’s existing conditions result in high construction or infrastructure costs. Overall, this alternative provides strong support for the City’s economic development goals by maximizing the logistics center’s acreage and poten-

tially freeing up land in other parts of West Oakland for non-industrial uses.

The combination of land uses shown in the Eco-Oakland alternative has a moderate level of community support. In particular, West Oakland community members have endorsed the concept of providing additional space for recycling businesses and other eco-industrial uses, so that these businesses can relocate from other neighborhoods in Oakland. The land uses in this alternative have moderate placemaking potential to enhance the GDA's character.

The Eco-Oakland alternative's emphasis on eco-industrial and logistics uses provides strong land use compatibility with the Port, since these uses are relatively similar to existing and planned Port activities. While this alternative may generate some traffic that was not anticipated in the EIR for the Oakland Army Base, it is expected to have smaller transportation impacts than the other alternatives.

B. Alternative 2: Destination Oakland

The Destination Oakland alternative is expected to provide a total of 6,700 jobs; a moderate proportion of these jobs will provide a living wage, due to this alternative's heavy concentration of retail uses. The annual payroll for these jobs, which will provide strong opportunities for local

hiring, is expected to be \$303 million. Annual combined tax revenues are estimated at \$26.1 million. The outlook for big box stores and/or smaller box retailers in a power center configuration is likely to be strong, both in the short and longer term, as long as retailers are not directly competing with the nearby Emeryville stores. And, as noted in Chapter 2, additional research will be needed to identify specific, likely box stores and the financial feasibility of a power center in this location. Short-term support for other land uses will also be strong, and all land uses in this alternative are expected to have strong long-term market support. The financial feasibility of these uses without a subsidy will depend on whether the site's existing conditions result in high construction or infrastructure costs. Overall, this alternative provides strong support for the City's economic development goals by providing some living wage jobs, in addition to generating tax revenue with the retail power center.

The Destination Oakland alternative has a moderate level of community support. Its emphasis on retail power center uses reflects the desire of West Oakland residents for more local shopping opportunities. It also creates a placemaking opportunity for retail buildings in the Central Gateway to use creative architectural treatments to differentiate the GDA from other Bay Area power centers. While this alternative creates relatively limited opportunities for inclusion in the New Economy, it provides

high support for the City's economic goals by emphasizing revenue-generating uses.

While land uses in this alternative are moderately compatible with the Port's operations, careful attention will be required to the relationship between the Port's operations and new retail uses. In addition, the emphasis on retail is expected to create high transportation impacts, requiring mitigations beyond those included in the Oakland Army Base EIR.

C. Alternative 3: Gateway Oakland

The Gateway Oakland alternative is expected to provide a total of 9,700 jobs, including a high proportion of living wage jobs. The total annual payroll is expected to be \$607 million. These jobs will provide strong opportunities for local hiring. Annual combined tax revenues are expected to be \$13.2 million. Because this alternative includes a very large amount of space for R&D/hi-tech manufacturing uses, the short-term market support in the GDA may be low for this use. However, short-term support for other uses is expected to be strong, and in the long term, all of the uses in this alternative are expected to have strong market support. The financial feasibility of these uses without a subsidy will depend on whether the site's existing conditions result in high construction or infrastructure costs. Overall, this

alternative provides strong support for the City's economic development goals by creating long-term opportunities for New Economy businesses and by supporting Oakland's film industry.

Because the Gateway Oakland alternative envisions a large number of new high-paying jobs in the GDA, it enjoys moderate support from the community. The creative industry uses that will generate these jobs have moderate to high potential to enhance the GDA's sense of place. Their contribution to the area's character will be strongest if these buildings include a high-quality design treatment that gives them a distinctive identity, and if they are sited and designed in a way that reflects the GDA's unique challenges and opportunities. Because this alternative emphasizes film production and other R&D/flex office uses, which will create long-term opportunities for high-paying jobs, Gateway Oakland is highly supportive of the City's economic development goals.

The land uses in Gateway Oakland are moderately compatible with the Port's operations. In particular, compatibility between the Port and the new R&D and film production uses will be largely dependent on the tenant mix and the design of individual buildings and sites. Transportation impacts are expected to be moderate, requiring some mitigations beyond those included in the Oakland Army Base EIR.

D. Alternative 4: Mixed Use Oakland

The Mixed Use Oakland is expected to provide a total of 8,500 jobs, including a high proportion of living wage jobs, with a total annual payroll of \$501 million. These jobs will provide strong opportunities for local hiring. Annual combined tax revenues are estimated at \$17.6 million. The retail power center in this alternative is expected to have strong market support, both in the short and longer term beyond 2012 as long as retailers are not directly competing with the nearby Emeryville stores. And, as noted for the Destination Oakland alternative, additional research will be needed to identify specific, likely box stores and the financial feasibility of a power center in this location. The other uses in this alternative also are expected to have strong short- and long-term market support. The financial feasibility of these uses without a subsidy will depend on whether the site's existing conditions result in high construction or infrastructure costs. Overall, this alternative provides high support for the City's economic development goals by balancing creative industries uses, which provide inclusion in the New Economy, and retail uses, which generate sales tax revenue.

Of the four alternatives, Mixed Use Oakland has the greatest support from the community. This alternative was created in late 2007, based on the City's most recent outreach to the WOCAG and other community members. In addition, this

alternative has moderate overall potential to contribute to placemaking in the GDA; by including pedestrian-oriented retail uses, especially restaurants, the retail power center in this alternative could have strong connections with creative industries, integrating the two uses into a cohesive whole. By including a significant logistics component and balancing New Economy inclusion with revenue generation, this alternative achieves exceptionally strong support for the City's economic development goals.

Mixed Use Oakland's land uses are moderately compatible with the Port's operations. As with most of the alternatives, compatibility between the Port and the GDA will be largely dependent on the GDA's ultimate tenant mix and the design of individual buildings and sites. Transportation impacts are expected to be high and will likely require mitigations beyond those in the Oakland Army Base EIR.

CHAPTER 5: ANALYSIS OF ALTERNATIVES

	ALT 1: ECO-OAKLAND	ALT 2: DESTINATION OAKLAND	ALT 3: GATEWAY OAKLAND	ALT 4: MIXED USE OAKLAND
Total Jobs	<ul style="list-style-type: none"> ◆ Low number of jobs compared with other alternatives. ◆ Estimated total of 4,200 jobs. 	<ul style="list-style-type: none"> ◆ Moderate number of jobs compared with other alternatives. ◆ Estimated total of 6,700 jobs. 	<ul style="list-style-type: none"> ◆ High number of jobs compared with other alternatives. ◆ Estimated total of 9,700 jobs. 	<ul style="list-style-type: none"> ◆ Moderate to high number of jobs compared with other alternatives. ◆ Estimated total of 8,500 jobs.
Total Payroll Per Year	<ul style="list-style-type: none"> ◆ Low annual payroll compared with other alternatives. ◆ Estimated annual payroll of \$259 million. 	<ul style="list-style-type: none"> ◆ Low annual payroll compared with other alternatives. ◆ Estimated annual payroll of \$303 million. 	<ul style="list-style-type: none"> ◆ High annual payroll compared with other alternatives. ◆ Estimated annual payroll of \$607 million. 	<ul style="list-style-type: none"> ◆ Moderate annual payroll compared with other alternatives. ◆ Estimated annual payroll of \$501 million.
Living Wage Jobs	<ul style="list-style-type: none"> ◆ High proportion of living wage jobs. 	<ul style="list-style-type: none"> ◆ Moderate proportion of living wage jobs, due to retail concentration. 	<ul style="list-style-type: none"> ◆ High proportion of living wage jobs. 	<ul style="list-style-type: none"> ◆ High proportion of living wage jobs.
Opportunities for Local Hiring	<ul style="list-style-type: none"> ◆ Strong opportunities for local hiring. 	<ul style="list-style-type: none"> ◆ Strong opportunities for local hiring. 	<ul style="list-style-type: none"> ◆ Strong opportunities for local hiring. 	<ul style="list-style-type: none"> ◆ Strong opportunities for local hiring.
Annual Tax Revenues (includes property, sales and hotel taxes)	<ul style="list-style-type: none"> ◆ Low tax revenues compared with other alternatives. ◆ Estimated annual tax revenues of \$10.6 million. 	<ul style="list-style-type: none"> ◆ High tax revenues compared with other alternatives. ◆ Estimated annual tax revenues of \$26.1 million. 	<ul style="list-style-type: none"> ◆ Low to moderate tax revenues compared with other alternatives. ◆ Estimated annual tax revenues of \$13.2 million. 	<ul style="list-style-type: none"> ◆ Moderate to high tax revenues compared with other alternatives. ◆ Estimated annual tax revenues of \$17.6 million.
Short-Term Market Support (before 2012)	<ul style="list-style-type: none"> ◆ Moderate short-term market support for eco-industrial park. ◆ Strong short-term market support for other uses. 	<ul style="list-style-type: none"> ◆ Strong short-term market support for retail power center, as long as not in competition with Emeryville and financial feasibility confirmed. ◆ Strong short-term market support for other uses. 	<ul style="list-style-type: none"> ◆ Potentially low short-term market support for R&D/hi-tech manufacturing, due to the large amount of space provided for this use in this alternative. ◆ Strong short-term market support for other uses. 	<ul style="list-style-type: none"> ◆ Strong short-term market support for retail power center, as long as not in competition with Emeryville and financial feasibility confirmed. ◆ Strong short-term market support for other uses.

CHAPTER 5: ANALYSIS OF ALTERNATIVES

	ALT 1: ECO-OAKLAND	ALT 2: DESTINATION OAKLAND	ALT 3: GATEWAY OAKLAND	ALT 4: MIXED USE OAKLAND
Long-Term Market Support (after 2012)	<ul style="list-style-type: none"> ◆ Strong long-term market support. 	<ul style="list-style-type: none"> ◆ Strong long-term market support. 	<ul style="list-style-type: none"> ◆ Strong long-term market support. 	<ul style="list-style-type: none"> ◆ Strong long-term market support.
Financial Feasibility Without Subsidy	<ul style="list-style-type: none"> ◆ Eco-industrial park likely to require a subsidy in early stages. ◆ Logistics and retail should not need substantial subsidies at this location ◆ West Gateway site will likely not need subsidies ◆ Subsidies for other uses will depend on site conditions, building types and infrastructure costs. 	<ul style="list-style-type: none"> ◆ Logistics and most retail should not need substantial subsidies at this location ◆ Subsidies for creative industries uses will depend on site conditions, building types and infrastructure costs. ◆ West Gateway site will likely not need subsidies 	<ul style="list-style-type: none"> ◆ Logistics and most retail should not need substantial subsidies at this location ◆ The large amount of developable tech/manufacturing in this alternative may require subsidies to absorb in timely manner ◆ West Gateway site will likely not need subsidies 	<ul style="list-style-type: none"> ◆ Logistics and most retail should not need substantial subsidies at this location ◆ Subsidies for creative industries uses will depend on site conditions, building types and infrastructure costs. ◆ West Gateway site will likely not need subsidies
Supports Citywide Economic Development Goals	<ul style="list-style-type: none"> ◆ Strong support for city-wide goals. ◆ Supports retention of recycling uses. ◆ Maximizes acreage for logistics center. ◆ Makes land in West Oakland available for jobs, retail and housing. 	<ul style="list-style-type: none"> ◆ Strong support for city-wide goals. ◆ Provides some New Economy jobs, as well as revenue-generating retail uses. 	<ul style="list-style-type: none"> ◆ Strong support for city-wide goals. ◆ Creates long-term opportunities for New Economy users. ◆ Supports the film industry in Oakland. 	<ul style="list-style-type: none"> ◆ Strong support for citywide goals. ◆ Balances New Economy inclusion with revenue-generating retail uses. ◆ Includes significant logistics component to support Port activity.
Known Community Support	<ul style="list-style-type: none"> ◆ Moderate level of community support. ◆ Moving recyclers has community support. 	<ul style="list-style-type: none"> ◆ Moderate level of community support. ◆ Retail has moderate to high community support. 	<ul style="list-style-type: none"> ◆ Moderate level of community support, primarily for job generation. 	<ul style="list-style-type: none"> ◆ High level of community support. ◆ Land use mix reflects the most current input from WOCAG and other community members.
Contributes to Placemaking/ Gateway	<ul style="list-style-type: none"> ◆ Eco-industrial area provides some placemaking potential if urban design standards are high. ◆ Strong contribution to placemaking in West Gateway area. 	<ul style="list-style-type: none"> ◆ Power center could include creative architectural treatments to provide strong identity for Central Gateway area. ◆ Strong contribution to placemaking in West Gateway area. 	<ul style="list-style-type: none"> ◆ R&D has moderate to high placemaking potential; depending on layout, building orientation and design guidelines. ◆ Strong contribution to placemaking in West Gateway area. 	<ul style="list-style-type: none"> ◆ Power center could include pedestrian-oriented retail uses that support creative industries, creating a stronger sense of place. ◆ Strong contribution to placemaking in West Gateway area.

	ALT 1: ECO-OAKLAND	ALT 2: DESTINATION OAKLAND	ALT 3: GATEWAY OAKLAND	ALT 4: MIXED USE OAKLAND
Land Use Compatibility – Port	<ul style="list-style-type: none"> ◆ Strong overall compatibility with Port. ◆ Logistics and eco-industrial uses are highly compatible with the Port's operations. 	<ul style="list-style-type: none"> ◆ Moderate overall compatibility with Port. ◆ Logistics is highly compatible with Port. ◆ Retail creates a potential conflict with Port operations. ◆ Retail traffic will need to contend with trucks servicing the Port. ◆ Compatibility of creative industries and residential will depend on the location and design of buildings. 	<ul style="list-style-type: none"> ◆ Moderate overall compatibility with Port. ◆ Logistics is highly compatible with the Port. ◆ Compatibility of R&D will depend on the tenant mix. ◆ Compatibility of film production will depend on the location and design of buildings. 	<ul style="list-style-type: none"> ◆ Moderate overall compatibility with Port. ◆ Logistics is highly compatible with the Port. ◆ Retail creates a potential conflict with Port operations. ◆ Compatibility of R&D will depend on the tenant mix.
Minimizes Transportation Impacts (compared with Oakland Army Base Redevelopment Plan EIR)	<ul style="list-style-type: none"> ◆ Moderate transportation impact. ◆ May generate somewhat more trips than the Flexible Alternative in the Final Reuse Plan. ◆ May lead to traffic impacts that require mitigation measures. 	<ul style="list-style-type: none"> ◆ High transportation impact. ◆ Expected to generate significantly more trips than analyzed in the EIR. ◆ Significant mitigation measures would be required. ◆ Significant traffic impacts may result. 	<ul style="list-style-type: none"> ◆ Moderate transportation impact. ◆ Expected to generate significantly more trips than analyzed in the EIR. ◆ Significant mitigation measures would be required. ◆ Significant traffic impacts may result. 	<ul style="list-style-type: none"> ◆ High transportation impact. ◆ Expected to generate significantly more trips than analyzed in the EIR. ◆ Significant mitigation measures would be required. ◆ Significant traffic impacts may result.

CHAPTER 5: ANALYSIS OF ALTERNATIVES

APPENDIX A:
SUPPORT TABLES FOR ANALYSIS OF ALTERNATIVES

A

TABLE A-1
BUILDOUT ASSUMPTIONS FOR GATEWAY DEVELOPMENT AREA ALTERNATIVES

ALTERNATIVE 1: ECO-OAKLAND

Land Use	Acres	FAR	Building SF	Stories
Eco-Industrial Park	31.5	0.50	686,100	1 to 3
Logistics Center	55.9	0.50	1,217,500	1 to 2
Auto Mall	24.4	0.30	318,900	up to 3
Office (West Gateway)	11.7	1.50	764,500	up to 30
Open Space	14.7			
Streets	26.8			
ECO-OAKLAND TOTALS	165.0		2,987,000	

ALTERNATIVE 2: DESTINATION OAKLAND

Land Use	Acres	FAR	Building SF	Stories
Retail Power Center	42.3	1.00	1,842,600	up to 2
Creative Industries	11.4	1.50	744,900	up to 8
Auto Mall	29.1	0.30	380,300	up to 3
Retail	2.7	0.40	47,000	1
Logistics Center	28.8	0.50	627,300	1 to 2
Destination Hotel/Residential (West Gateway)	11.7	1.50	764,500	up to 30
Open Space	14.7			
Streets	24.3			
DESTINATION OAKLAND TOTALS	165.0		4,406,600	

ALTERNATIVE 3: GATEWAY OAKLAND

Land Use	Acres	FAR	Building SF	Stories
R&D/Hi-Tech Manufacturing	45.4	1.50	2,966,400	up to 8
Film Production	11.4	0.30	149,000	1 to 2
Auto Mall	24.4	0.30	318,900	up to 3
Logistics Center	31.5	0.50	686,100	1 to 2
Office (West Gateway)	11.7	1.50	764,500	up to 30
Open Space	14.7			
Streets	25.9			
GATEWAY OAKLAND TOTALS	165.0		4,884,900	

ALTERNATIVE 4: MIXED USE OAKLAND

Land Use	Acres	FAR	Building SF	Stories
Retail Power Center	22.5	1.00	980,100	up to 2
Creative Industries	18.2	1.50	1,189,200	up to 8
Auto Mall	29.1	0.30	380,300	up to 3
Retail	2.7	0.40	47,000	1
Logistics Center	42.1	0.50	916,900	1 to 2
Office/Destination Hotel (West Gateway)	11.7	1.50	764,500	up to 30
Open Space	14.7			
Streets	24			
MIXED USE OAKLAND TOTALS	165.0		4,278,000	

Source: City of Oakland 2007; BAE 2007; DC&E 2007.

APPENDIX A: SUPPORT TABLES FOR ANALYSIS OF ALTERNATIVES

**TABLE A-2
ECONOMIC BENEFITS FOR GATEWAY DEVELOPMENT AREA ALTERNATIVES**

Alternative 1: Eco-Oakland	Building SF	Jobs (a)	Total Wages (a)	Property Tax (a)	Revenues (a)	Component Use (a)
Eco-Industrial Park	686,100	915	\$ 62,206,400	\$ 1,372,200	\$	686,300
Logistics Center	1,217,500	812	\$ 42,206,667	\$ 3,043,750	\$	304,375,000
Auto Mall	318,900	319	\$ 12,756,000	\$ 797,250	\$ 2,100,000	\$ 79,725,000
Office (West Gateway)	764,500	2,184	\$ 141,978,571	\$ 2,675,750	\$	\$ 267,575,000
Total	2,987,000	4,230	\$ 259,147,638	\$ 7,888,950	\$ 2,100,000	\$ 652,361,300
Alternative 2: Destination Oakland						
Retail Power Center	1,842,600	3,685	\$ 121,611,600	\$ 4,606,500	\$ 5,527,800	\$ 460,650,000
Creative Industries - Office / R & D	744,900	1,655	\$ 124,150,000	\$ 2,420,925	\$	\$ 242,092,500
Auto Mall	380,300	380	\$ 15,212,000	\$ 950,750	\$ 2,100,000	\$ 95,075,000
Retail	47,000	188	\$ 4,700,000	\$ 94,000	\$ 211,500	\$ 9,400,000
Logistics Center	627,300	418	\$ 21,746,400	\$ 1,568,250	\$	\$ 156,825,000
Destination Hotel/Residential (West Gateway)	764,500	382	\$ 15,672,250	\$ 1,720,125	\$ 6,577,430	\$ 172,012,500
Total	4,406,600	6,709	\$ 303,092,250	\$ 11,360,550	\$ 14,416,730	\$ 1,136,055,000
Alternative 3: Gateway Oakland						
R&D/Hi-Tech Manufacturing	2,966,400	6,592	\$ 448,256,000	\$ 5,932,800	\$	\$ 593,280,000
Film Production	149,000	149	\$ 8,791,000	\$ 298,000	\$	\$ 29,800,000
Auto Mall	318,900	319	\$ 12,756,000	\$ 797,250	\$ 2,100,000	\$ 79,725,000
Logistics Center	686,100	457	\$ 23,784,800	\$ 1,372,200	\$	\$ 171,525,000
Office (West Gateway)	764,500	2,184	\$ 113,582,857	\$ 2,675,750	\$	\$ 267,575,000
Total	4,884,900	9,702	\$ 607,170,657	\$ 11,076,000	\$ 2,100,000	\$ 1,141,905,000
Alternative 4: Mixed Use Oakland						
Retail Power Center	980,100	1,960	\$ 64,686,600	\$ 2,450,250	\$ 2,940,300	\$ 245,025,000
Creative Industries - Office / R & D	1,189,200	2,643	\$ 198,200,000	\$ 3,864,900	\$	\$ 386,490,000
Auto Mall	380,300	380	\$ 15,212,000	\$ 950,750	\$ 2,100,000	\$ 95,075,000
Retail	47,000	31	\$ 783,333	\$ 94,000	\$ 211,500	\$ 9,400,000
Logistics Center	916,900	458	\$ 23,839,400	\$ 2,292,250	\$	\$ 229,225,000
Office (West Gateway)	764,500	3,058	\$ 198,770,000	\$ 2,675,750	\$	\$ 267,575,000
Total	4,278,000	8,531	\$ 501,491,333	\$ 12,327,900	\$ 5,251,800	\$ 1,232,790,000

a) Assumptions:

	Sq. Ft Per Job:	avg Wage (see Table 3)	Value Per Sq. Ft.	Other Tax Rev	
Eco-Industrial Park/Hi-Tech Manufacturing	750	\$ 68,000	\$ 200.00		
Logistics Center	1,500	\$ 52,000	\$ 250.00		
Auto Mall	1,000	\$ 40,000	\$ 250.00	\$2,100,000	total per city estimate
Office	350	\$ 65,000	\$ 350.00		
Creative Industries - Office / R & D	450	\$ 75,000	\$ 325.00		
Destination Hotel/Residential	2,000	\$ 41,000	\$ 225.00	\$ 8.60	Per sq. ft. per yr
Film Production	1,000	\$ 59,000	\$ 200.00		
Retail Power Center	500	\$ 33,000	\$ 250.00	\$ 3.00	per sq. ft. to city
Auto Oriented Retail (Convenience)	250	\$ 25,000	\$ 200.00	\$ 4.50	per sq. ft. to city

Property Tax Rate

1.0%

Sources: CA Employment Development Department (EDD) 2007, BAE 2007.

APPENDIX A: SUPPORT TABLES FOR ANALYSIS OF ALTERNATIVES

TABLE A-3
AVERAGE SALARIES FOR OAKLAND MSA OCCUPATIONS

Green Industry	Average Salary (a)
Materials Scientists	\$97,543
Materials Engineers	\$80,436
Civil Engineering Technicians	\$59,096
Material Moving Workers, All Other	\$57,495
Refuse and Recycling Materials Collectors	\$46,116
Average Salary	\$68,137
Food Distribution/Production	
General and Operations Managers	\$121,686
First-Line Supervisors/Managers of Transportation	\$63,011
First-Line Supervisors/Managers of Helpers, Laborers	\$46,696
Laborers & Freight, Stock & Material Movers, Hand	\$27,002
Machine Feeders and Offbearers	\$24,763
Cleaners of Vehicles and Equipment	\$21,211
Packers and Packagers, Hand	\$21,150
Average Salary	\$46,503
Film Production	
Writers and Authors	\$85,154
Multi-Media Artists and Animators	\$78,474
Producers and Directors	\$66,550
Set and Exhibit Designers	\$60,830
Audio and Video Equipment Technicians	\$59,591
Artists and Related Workers, All Other	\$58,352
Media & Communication Equipment Workers, All Other	\$58,197
Broadcast Technicians	\$53,841
Editors	\$47,677
Sound Engineering Technicians	\$47,016
Photographers	\$30,973
Average Salary	\$58,787
Office/Finance	
Chief Executives	>\$145,000
Human Resources Managers, All Other	\$117,229
Financial Managers	\$114,975
Training and Development Managers	\$101,657
Compensation and Benefits Managers	\$98,502
Management Analysts	\$84,703
First-Line Supervisors/Managers of Office and Admin	\$54,588
Information and Record Clerks, All Other	\$40,672
Bill and Account Collectors	\$39,534
Receptionists and Information Clerks	\$29,791
Average Salary	\$75,739
Retail	
Sales and Related Workers, All Other	\$44,489
First-Line Supervis./Managers of Retail Sales Work	\$41,719
Retail Salespersons	\$27,826
Counter and Rental Clerks	\$25,472
Cashiers	\$24,863
Average Salary	\$32,874

APPENDIX A: SUPPORT TABLES FOR ANALYSIS OF ALTERNATIVES

TABLE A-3 (CONTINUED)
AVERAGE SALARIES FOR OAKLAND MSA OCCUPATIONS

Auto Sales	
Marketing Managers	\$129,318
Sales Managers	\$117,557
Public Relations Managers	\$104,608
Administrative Services Managers	\$91,341
Advertising and Promotions Managers	\$81,096
Sales Representatives, Wholesale & Manufacturing	\$72,396
First-Line Supervis./Managers of Retail Sales Work	\$41,719
Warehouse/Logistics	
Computer Systems Analysts	\$86,104
Network Systems and Data Communications Analysts	\$76,781
Computer Support Specialists	\$54,945
Industrial Truck and Tractor Operators	\$38,004
Conveyor Operators and Tenders	\$30,646
Laborers & Freight, Stock & Material Movers, Hand	\$27,002
Average Salary	\$52,247
Hotel	
Administrative Services Managers	\$91,341
Concierges	\$27,632
Baggage Porters and Bellhops	\$24,379
Hotel, Motel, and Resort Desk Clerks	\$22,879
Average Salary	\$41,558

Sources: CA Employment Development Department (EDD) Wages by Occupation 1st Q 2007; BAE 2007.