



FILED
OFFICE OF THE CITY CLERK
OAKLAND

2015 JUL -2 AM 11:15

AGENDA REPORT

TO: SABRINA B. LANDRETH
CITY ADMINISTRATOR

FROM: Mark Sawicki

SUBJECT: Economic Development Quarterly Tracking Report

DATE: May 28, 2015

City Administrator
Approval

Date 7/1/15

COUNCIL DISTRICT: City-Wide

RECOMMENDATION

Staff recommends that the City Council accept:

An Informational Quarterly Tracking Report On Economic Development Activities Including Actions Related To The Preparation Of The Economic Development Strategy For The City Of Oakland.

EXECUTIVE SUMMARY

This report covers the period from January 1 to March 31, 2015. It responds to the Community and Economic Development (CED) Committee's request for a standing quarterly report to track economic development activities and actions regarding the preparation of the Oakland Economic Development Strategy.

For questions regarding this report, please contact Zach Seal, Economic Development Specialist at (510) 238-2937.

Respectfully submitted,

Mark Sawicki, Director
Economic and Workforce Development Department

Reviewed by:
Aliza Gallo, Economic Development Manager

Prepared by:
Zach Seal, Economic Development Specialist
Economic Development Division Staff

Attachment A: Economic Development Staff Activities, 1st Quarter (January-March) 2015
Attachment B: Oakland Economic Development Indicators, 1st Quarter (January-March) 2015

Item: _____
CED Committee
July 14, 2015

Attachment A: January-March (1st Quarter) 2015 Economic Development Activities Summary

The Economic Development Division of the Economic & Workforce Development Department is responsible for citywide business recruitment, retention, and expansion through two primary approaches:

- Targeted services in key sectors: Clean & Green Tech, Tech, Retail Development, Industrial Development & Manufacturing, Health Care & Wellness, Creative Industries and Trade & Logistics.
- Business Development Programs: Business Improvement Districts/Community Benefit Districts, Business Assistance Center, Tax Incentive Program, Recycling Management Development Zone, Broadway Shuttle, International Trade Program, and the Oakland Foreign Trade Zone.

Business Development Highlights

Company	Sector	Attraction/ Expansion/ Retention/	Location	# Employees	Notes
Artifact	Creative	Expansion	West Oakland	15	Expansion space for growing business
Asphalt Shingle Recyclers	Green & Cleantech	Expansion	5900 Coliseum Way	10	Advocated with CalRecycle agency to accelerate Caltrans' development of recycled asphalt paving specification
BA Labs	Creative	Expansion	West Oakland	3	Seeking expansion site
Babette SF, Koinka	Manufacturing	Retention	West Oakland	70	Need workforce support
Code Shelf	Manufacturing	Retention	Downtown	15	Retention support linked them into regional advance manufacturing network
Commercial Waste & Recycling	Green & Cleantech	Expansion	725 Independent Rd	20	Continued permit assistance for expansion of this construction recycling business with Planning and Building staff

Attachment A: January-March (1st Quarter) 2015 Economic Development Activities Summary

Company	Sector	Attraction/ Expansion/ Retention/	Location	# Employees	Notes
Cromer Equipment	Industrial	Expansion	Central Estuary	20	Additional Site Purchase complete
Crucible	Creative	Expansion	West Oakland or Central East industrial district	30	Exploration of a new adjacent site for expansion
EVB Advertising	Creative	New	Uptown	50	Creative firm serving major clients opened in renovated office across from Fox
Forage Kitchen	Manufacturing Production	Attraction	Uptown	10	Kitchen Incubator
Four Barrel Coffee	Manufacturing	Attraction	Jack London	10	Purchase of warehouse in Jack London for coffee roasting and storage
JD Services	Green & Cleantech	New	745 Kevin Court	7	Signing of lease and issuance of key permits culminated 2 year process of property search and permitting
K Trucking	Logistics Transportation	Attraction	West Oakland or Central East industrial district	15	In contract
Keurig Green Mountain	Manufacturing	Foreign Trade Zone client	San Leandro	NA	New Oakland FTZ Sub Zone
LendStreet	Tech	New	Downtown	4	Debt relief startup relocated from Sunnyvale – innovative financial service
Mayor's Solar Roundtable	Green & Cleantech	Retention/ Expansion	360 22nd Street	~650	Gathering of ~10 Oakland solar companies to express promise and priorities of solar with Mayor Schaaf
Mr Dewie's Frozen Desserts	Food & Beverage	Relocation	West Oakland or Central East	5	In Letter of Intent for lease in Central Oakland location

Attachment A: January-March (1st Quarter) 2015 Economic Development Activities Summary

Company	Sector	Attraction/ Expansion/ Retention/	Location	# Employees	Notes
Pacific Supply	Industrial	Retention	West Oakland or Central East industrial district	18	Issues with blight homeless, vandalism , street parking
Paul Discoe O2 Development	Manufacturing	Expansion	West Oakland	40	Site development, planning, tenant attraction
PS Print, ALPI, Happy Hound, Golden West Envelope	Industrial	Retention	West Oakland or Central East industrial district	125	Issues with blight homeless, vandalism , street parking
Revolution Foods	Manufacturing	Expansion	Citywide industrial	450	Short term warehouse need and long term expansion plans
SF Forage	Manufacturing	Attraction	Citywide	15	Looking for a site in SF Bay Area
SfunCube (solar incubator/accelerator)	Green & Cleantech	Retention/ Expansion	426 17th Street	3, incubating ~20 solar startups	Continued business license tax assistance; nominated for Innovation Awards; attended weekly roundtable of all startups
Soundwave Studios	Creative	Expansion	West Oakland	25	Site development
Traffic Management	Industrial	Attraction	East Oakland Airport	28	Purchase of site in Airport Business Area
Vote Solar	Green & Cleantech	Attraction	360 22nd Street	10	Re location of solar policy/advocacy group from SF to Oakland; host for Solar Roundtable
Wonky Kitchen	Manufacturing	Attraction	Citywide industrial	5	Seeking kitchen space
Coliseum Shopping Center	Retail	Retention	East Oakland	NA	Effort to re-open shopping center

Attachment A: January-March (1st Quarter) 2015 Economic Development Activities Summary

Company	Sector	Attraction/ Expansion/ Retention/	Location	# Employees	Notes
Kain'bigan	Retail	Expansion	San Pablo Ave in West Oakland	5-15	Assisted client in identifying possible expansion sites and things to think about when negotiating a lease.
Kingfish Pub & Café	Retail	Relocation	Temescal	8-15	Assisted client in securing final approvals from Building and Fire with relocation of building to other side of Telegraph Ave and construction of new building.
Philz Coffee	Retail	New Business	Rockridge	15-35	Assisted client to secure additional waste pickups.
TOTAL				1,656-1,693	

Economic Development Program Highlights

Oakland Business Promotion:

- 3rd Annual East Bay Economic Development Alliance (EB EDA) Innovation Awards: Nomination of 16 Oakland companies across nine categories of innovation; six of the nominated firm were finalists, including both finalists in the Food category (winner Blue Bottle Coffee and Community Grains) and SfunCube, finalist in two different categories (Cleantech and Catalyst); other finalists were Clorox (Legacy Award), Oakland Digital Literacy Center (Education), and FATHOM (Manufacturing)

Attachment A: January-March (1st Quarter) 2015 Economic Development Activities Summary

- Initiative for a Competitive Inner City (ICIC) – Inner City 100 Fastest Growing Business Awards: Nomination of 40 Oakland businesses for the national scale 2015 Inner City 100 competition; Oakland garnered seven winners in the 2014 competition, and was honored as the 2014 Nominator of the Year.

Oakland Business Retention Programs:

- Conducted West Oakland Business Alert Program Jan-Feb-March meetings.
- Participated in update of the East Oakland Truck Route map, seeking balance between reduced environmental and neighborhood impact while retaining free flowing transportation routes for truck-serving industrial employers.

Oakland/Berkeley Recycling Market Development Zone (RMDZ) Program:

- Attended and helped develop content for CalRecycle Funding for Recycling Infrastructure workshop, held in Oakland on January 29, 2015.
- Assisted construction materials recycler Commercial Waste and Recycling with expansion permitting issues.

Oakland Foreign Trade Zone Program (FTZ):

- Prepared City of Oakland application for expansion to the FTZ 56.
- Attended Zone Marketing workshop of the National Assn of Foreign Trade Zones.
- Worked with Consultant on Oakland FTZ Expansion Strategy.

Oakland Makers:

- Led Made in Oakland discussion with Food & Beverage companies stakeholder forum.
- Met with Peralta, Maker Ed, OUSD, Career Pathways and Linked Learning on grant opportunities for Maker Education.
- Participated in Mayor Schaaf meeting with White House Office of Science & Technology. Led follow up meeting with White House staff.

Attachment A: January-March (1st Quarter) 2015 Economic Development Activities Summary

Broadway Shuttle:

- Updated Broadway Shuttle collateral materials: downtown map, brochure, restaurant guide (with new Wine Tasting section), and shuttle stop signs.
- Broadway Shuttle 2014 annual ridership was 721,052. Overall ridership since its launch in 2010 recently surpassed three million.

Broadway Transit Circulator:

- Alameda County Transportation Commission has allocated \$100,000 to study the feasibility of creating a value capture district (i.e. Business Improvement District or Community Facility District) on Broadway, and whether such a district could financially support a portion of the capital and/or operations of an enhanced Broadway Shuttle or electric streetcar as a catalyst for economic development along the corridor.

Regional Economic Development Initiatives:

- Delivered Bay Area Regional Prosperity Plan to City Council.
- Participant in Design It Build It Ship It both Advanced Manufacturing and Logistics Regional Cluster Partnerships.
- Participated in the East Bay Economic Development Alliance (EB EDA) Economic Development Directors Council and Committees.

Oakland Retail Development Program:

- Participated in the International Council of Shopping Centers' (ICSC) Northern California Deal Making event.
- ICSC Public Sector Alliance and Oakland Retail Forum planning committee.
- Participated in the Mandela Parkway Caltrans parcels meetings with development proposers.
- Participated in Parcel 4 RFP proposal review.

Bus Rapid Transit (BRT) Business Impact Mitigation Program:

- Worked with StopWaste, Quest consulting, and outreach staff from the East Bay Energy Watch, to pilot an energy efficiency program for small businesses along the International Boulevard corridor.
- Provided business development services and referral services to merchants along proposed BRT route.

Attachment A: January-March (1st Quarter) 2015 Economic Development Activities Summary

Citywide Departmental Team Efforts:

- Participated in OPD/CAO District Area Teams (Area Teams 1, 2, 3, 4, 5).
- Ongoing participation in the Resilient Oakland Initiative Team, including participation in Resilient Oakland Community Forum.
- Participation on inter-departmental Grants Coordination meeting, including Interdepartmental meeting to coordinate four competitive City proposals for Cap and Trade funded transit-oriented, affordable housing.
- Participation in the International Boulevard Sustainable Communities Project and the San Pablo Corridor Initiative.

Community Benefit District (CBD) and Business Improvement District (BID) Program:

- Maintained administrative responsibilities including fund disbursements to various districts; payment of city assessment fees.
- Preparation of Resolution of Intention to form a proposed Oakland Tourism BID adopted (estimated revenues of \$17 million over five years, or, \$3.4 million per year).
- Preparation of the Resolution of Intention to renew the Laurel 2016 Business Improvement District
- Facilitated efforts to form three new business improvement districts; efforts included meetings with interested stakeholders. Provided technical assistance to districts with business development support, referrals and participation in BID/CBD Managers' Consortium meetings.

Developer & Investor Facilitation Services:

- Facilitated tours, information and follow up materials to brokers and potential investors for four major industrial properties: Lucasey Manufacturing, 4901- E 12th Street, and Svenhards and former Bimbo Plant.
- Facilitated tours, meetings and information for Broadway Valdez area interested developers and investors.
- Responded to inquiries of international investors.

Economic Development Strategy:

- City staff facilitated focus groups for major retailers and on Oakland's role in the region. Staff worked with the Oakland Metropolitan Chamber of Commerce and Beacon Economics to obtain and analyze employment data from the State Employment Development Department in support of an economic profile of Oakland, including industry employment changes, consumer spending, Port activity, real estate, tourism, business growth and demographics.
- Produced Food & Beverage Cluster Economic Report and circulated it at events and among Food companies.

Attachment A: January-March (1st Quarter) 2015 Economic Development Activities Summary

- In coordination with Renewable Funding CEO Cisco DeVries and Mayor Schaaf's office, coordinated an hour long solar roundtable with established firms such as Sungevity and Borrego Solar, as well as startup firms housed at the SfunCube.

Clean Tech/Green Industry Events:

- Sponsored/attended the 5th annual Clean Energy, Healthy Communities Conference on March 5.
- Participated in the workshop on greenhouse reduction in disadvantaged communities, co-produced by the African American Chamber of Commerce and the Greenlining Project.
- Participated in the webinar sponsored by the SB 535 Coalition, also working on delivering benefits of cap and trade GHG reduction funds to disadvantaged communities that include 20% of the population of Oakland.

Business Assistance Center (BAC) Activities

- Total BAC Clients Served: 895

BAC Client Services Breakdown (895 Total):

- Business License/Tax – 362
- Assistance and Distribution of Business Flowcharts – 84
- Assistance or Referral to Zoning/Permits/Bldg. Services- 59
- Assistance with Seller's Permit – 47
- Assistance with Fictitious Name – 65
- Referred businesses to Alameda County Small Business Development Center – 52
- Referred businesses to Oakland Business Development Corporation - 31
- Referred businesses to SCORE – 40
- Conducted Site Location Searches – 19
- Assisted businesses with Measure FF Referrals – 46
- Endorsed new Kiva Zip Businesses – 3
- Legal Clinic – 47 businesses and entrepreneurs

Attachment A: January-March (1st Quarter) 2015 Economic Development Activities Summary

Oakland Measure FF Employment Law Business Outreach

Employer Information Briefings:

- Arranged and Participated in 12 employer briefings and community meetings coordinated with Contract Compliance Office
- Arranged for special Legal Clinic services to assist businesses with
- Co-sponsored employer briefings with OBDC, Unity Council, Chinatown Chamber of Commerce, Oakland Metropolitan Chamber of Commerce, African American Chamber of Commerce, and Hispanic Chamber of Commerce.

Small Business Workshops & Events:

- Co-Sponsored three workshops with Alameda County SBDC
- Participated in Bay Area Round Table
- Business Services Provider's Network Workshop
- Governor's California Competes Workshop
- SBA- Financing your Business
- Attended WOCA Luncheon Jan Feb March and provided ED Updates at each meeting
- Presented at Oakland Rotary Club on Oakland Makers & Manufacturing
- Presented at Professional Engineers Management Assn (PEMA) monthly meeting on Brownfield Infill Development
- Presentation to Urban Land Institute – Healthy Corridors National Initiative



Quarterly Economic Dashboard Q1 2015 January - March

Employment

Unemployment Rate

6.3%

Last Year: 10.3%

Employment

196,333

 Last Year: 183,867

Size of Labor Force

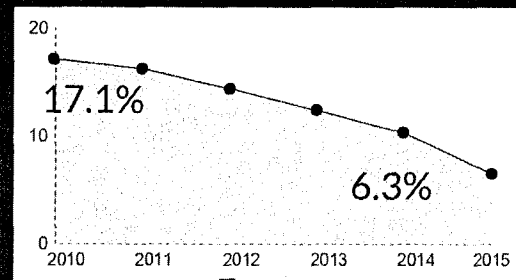
209,400

 Last Year: 205,000

Do you know ?

Oakland's unemployment level has dropped dramatically in the last five years, from 17.1% in Q1 2010 to 6.3% in Q1 2015. It has continued to fall into Q2 (April-June).

In the last year, the City added almost 12,500 jobs, while the size of the working population increased by 4,400.



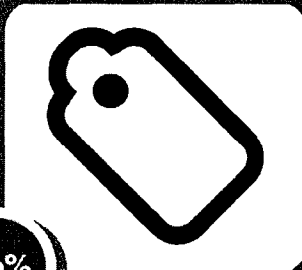
Unemployment Rate

Quarterly City Revenues

Sales Tax

Real Estate Transfer Tax

TOT Tax (Hotels)



+ 6%

\$34,297,846 (Q4 2014)
Last Year: \$ 32,345,229



- 20%

\$10,381,995
Last Year: \$12,973,533

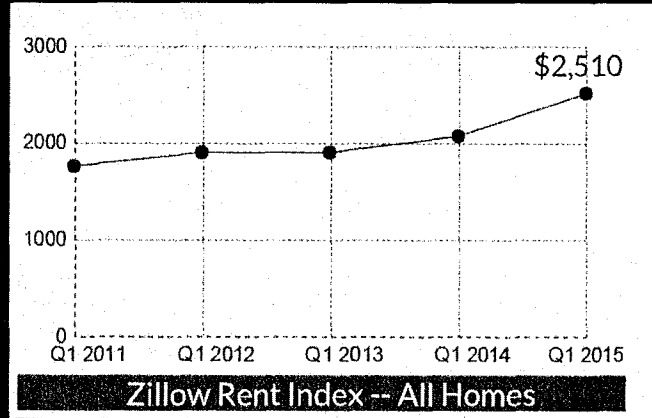
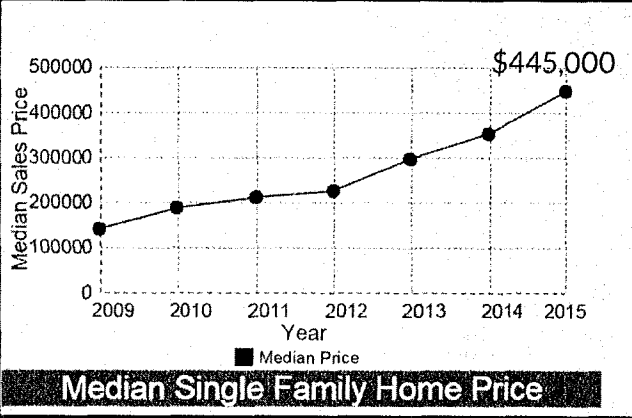


+58%

\$4,540,000
Last Year: \$2,863,500

Sales taxes have increased since last year, and the Transient Occupancy Tax, based on hotel occupancy, is rising substantially. Real Estate Transfer Taxes were higher in Q1 2014 due in part to a higher transfer volume during Q1 2014. Sales tax reporting lags one quarter for collection and analysis and is reported for Q4 2014.

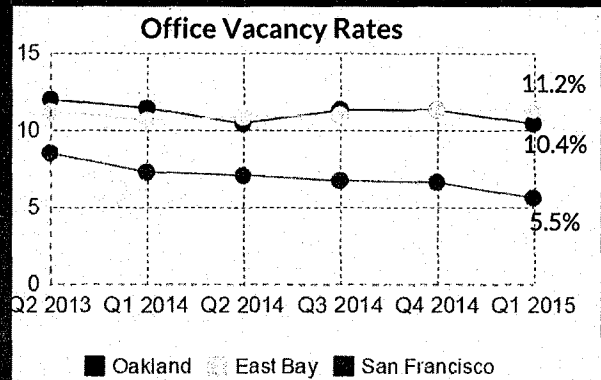
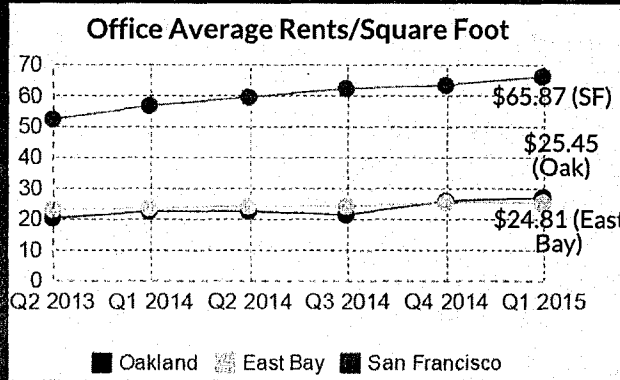
Residential Real Estate



Commercial Real Estate

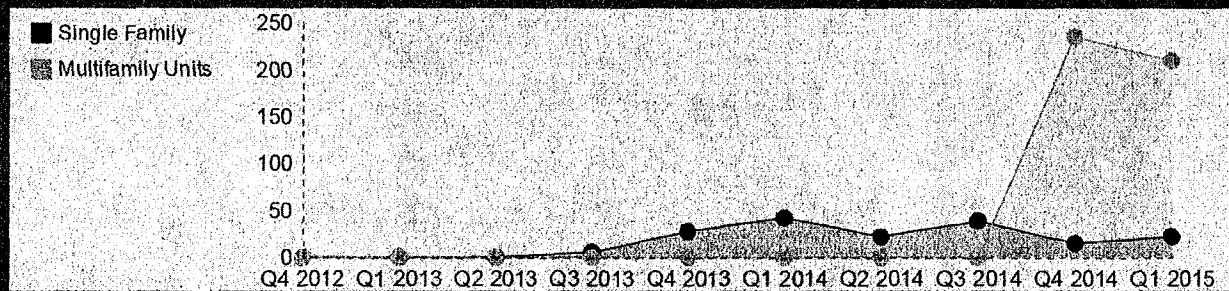
Industrial Vacancy: 5.2%
 Rent/square foot: \$8.31
 East Bay: 7.4%, \$8.47

Retail Vacancy: 3.2%
 Rent/square foot: \$21.80
 East Bay: 4.2%, \$21.95



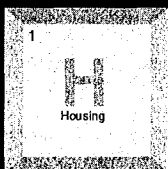
Office Rents have crept above the East Bay average this quarter, but remain less than half of San Francisco.

Building Permits

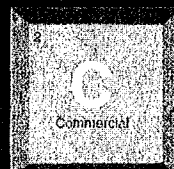


Development Pipeline

Units in pipeline are approved, under review or in pre-application discussion with the Planning Department.



Housing:
 11,000 Units
 835 units under construction or recently completed



Commercial:
 3.5 Million square feet
 681,000 sf under construction