



SHARING PROSPERITY IN OAKLAND: TOWARDS A CITYWIDE ECONOMIC DEVELOPMENT STRATEGY FOR 2017

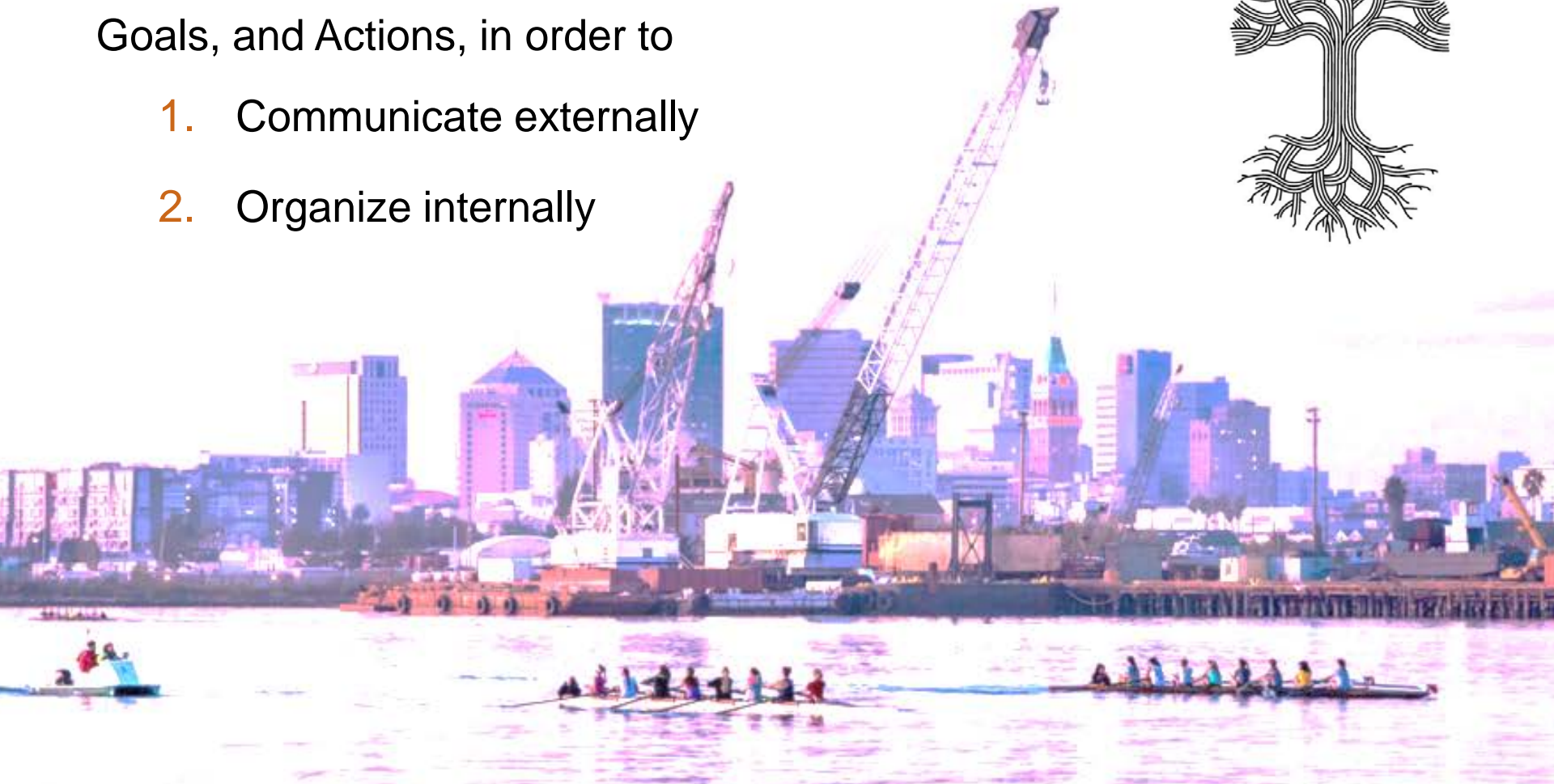
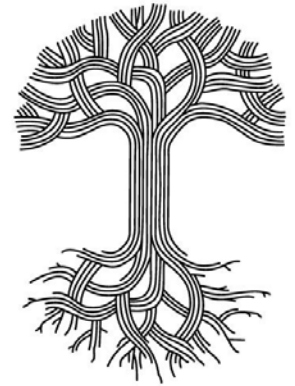
April 11, 2017

Oakland City Council
Community and Economic Development Committee

What is an Economic Development Strategy?

A Clear Statement of the City's Values, Principles, Goals, and Actions, in order to

1. Communicate externally
2. Organize internally



Current Economic Context

- Economic landscape has changed since the recession: sustained economic upturn has brought new investment, new jobs, new residents
- Affordability has changed – both residential and commercial
- Economic tools have changed:
 - Public: Redevelopment dissolved, reduced federal funding, and Workforce Development reoriented around business
 - Private: Business models, investment types, and concept of “work” are all evolving
- Income inequality has increased; strong interest in building policy around equity, inclusive growth, economic security
- Oakland has not had documented consensus on Economic Development since 1997



Oakland's economy has had several years of sustained employment growth



Quarterly Economic Dashboard
Q4 2016
October - December

Employment

Unemployment Rate

5.5%

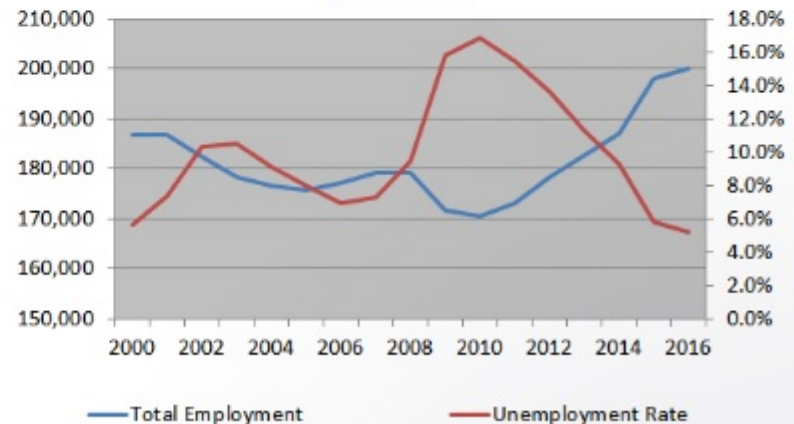
Q4 2015: 5.5%

Employment

204,567

Q4 2016: 200,000

Oakland Employment and Unemployment Rate
2000-2016



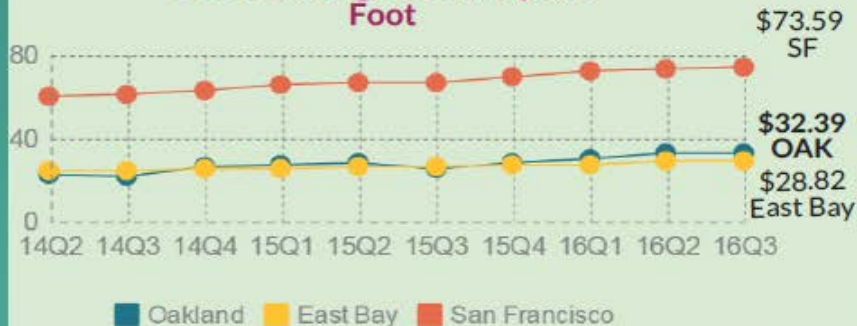
Commercial Real Estate

Industrial Vacancy: 2.6%
Rent/square foot: \$9.56
East Bay: 5%, \$10.29

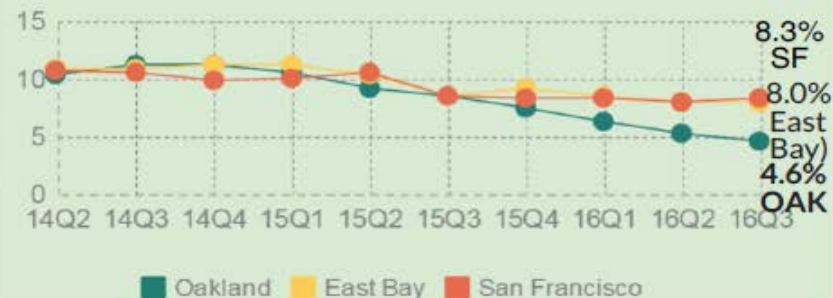
Office Vacancy: 4.6%
Rent/square foot: \$ 32.39
Downtown: 3.2%, \$43.87
East Bay: 8%, \$28.82

Retail Vacancy: 2.8%
Rent/square foot: \$22.73
East Bay: 3.4%, \$24.81

Office Average Rents/Square Foot



Office Vacancy Rates



Residential Building Permits



Development Pipeline



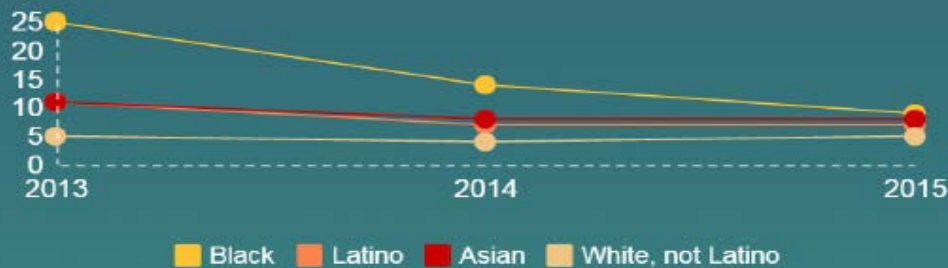
2,255 Units Under Construction
14,982 Units Approved
4,928 Units Pre-Application or in Review



2,625,956 Square Feet Under Construction
11,865,615 Square Feet Approved
1,030,855 Square Feet in Pipeline

Equity Gaps Persist

Unemployment by Race & Ethnicity, 2013-2015

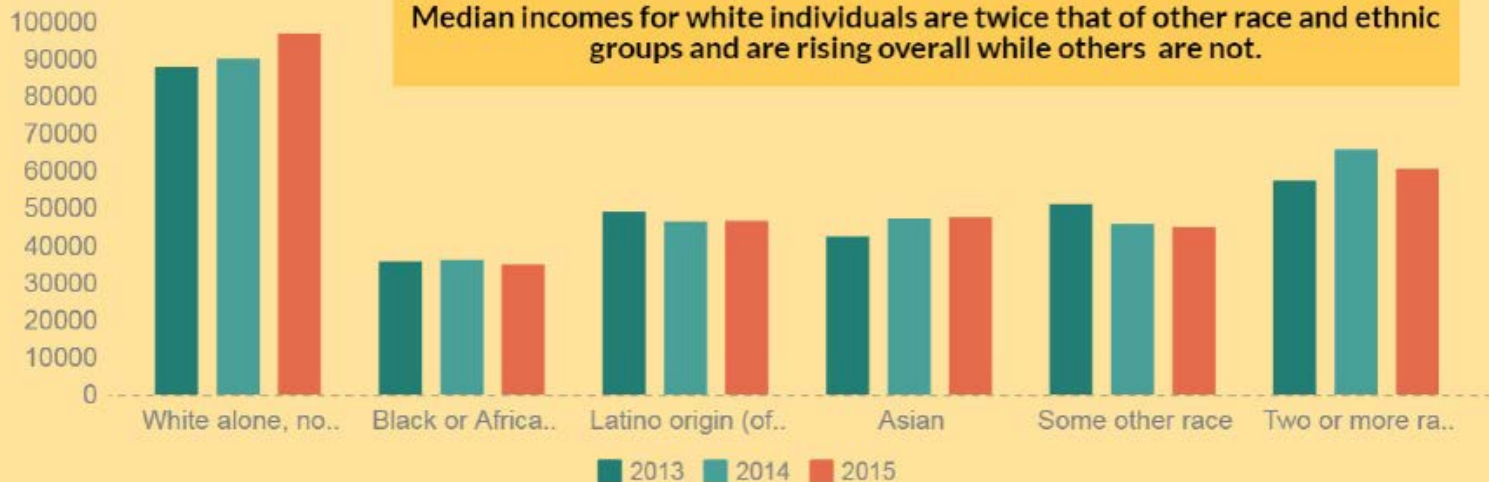


44,800 Businesses

43%
Women-owned

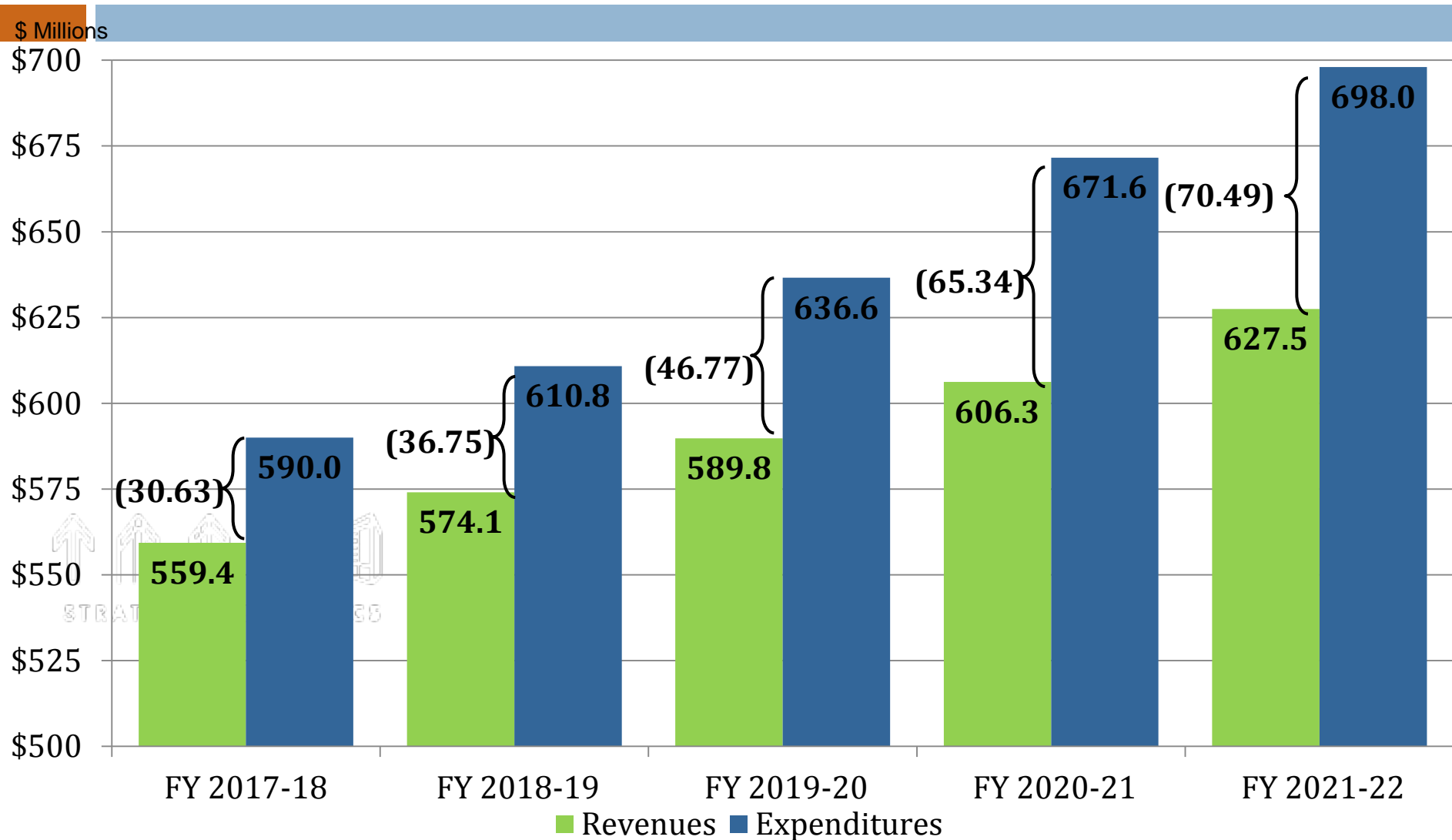
51%
People of Color-owned

Median Incomes in Oakland by Race or Ethnicity



Fiscal Sustainability Challenge

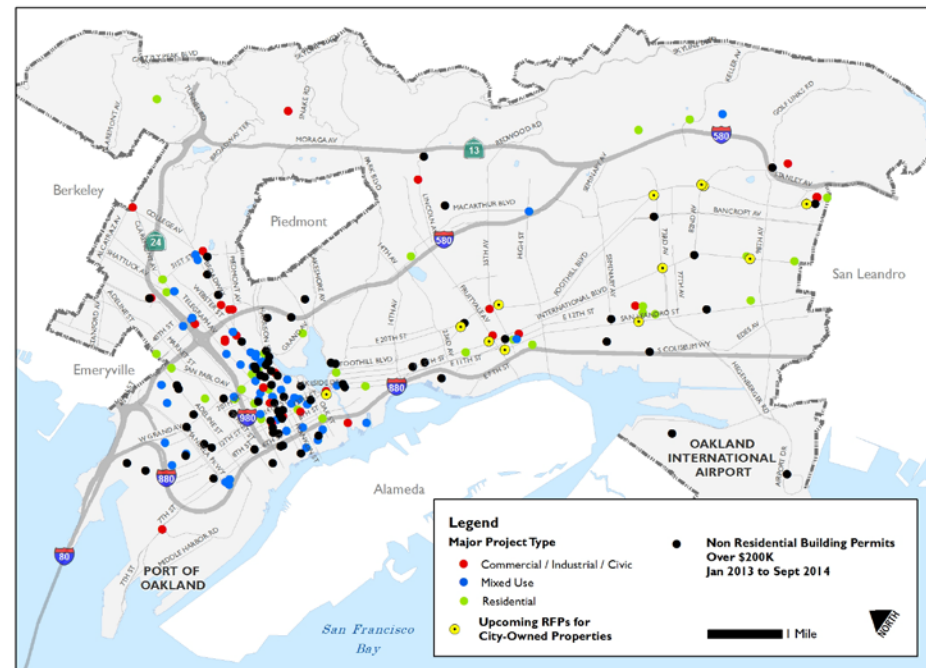
General Purpose Fund Revenues, Expenditures, & Shortfall



February 28, 2017

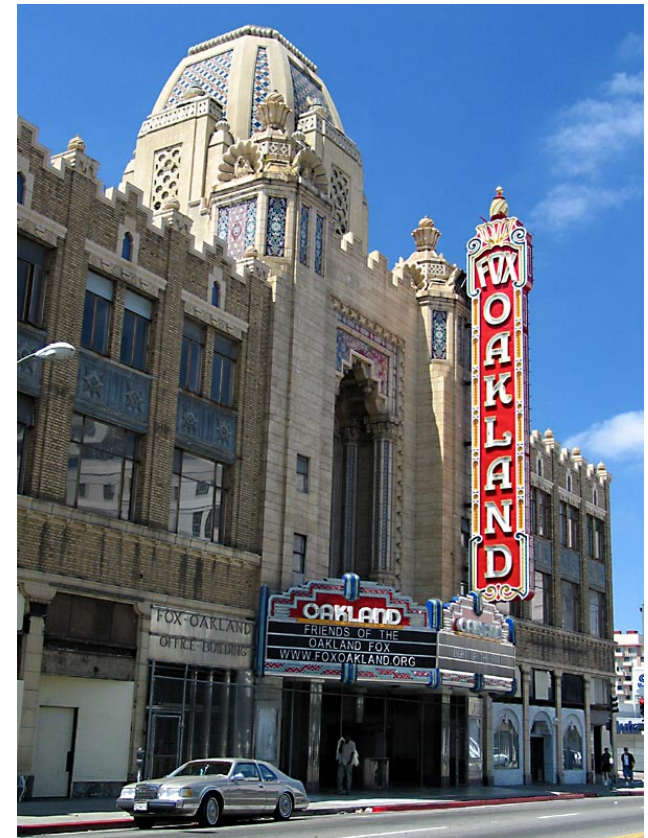
Major Public Projects Over Next 5 Years

- Global Trade & Logistics Center (Army Base)
- International Boulevard Bus Rapid Transit
- Brooklyn Basin
- Oak Knoll
- Coliseum Area

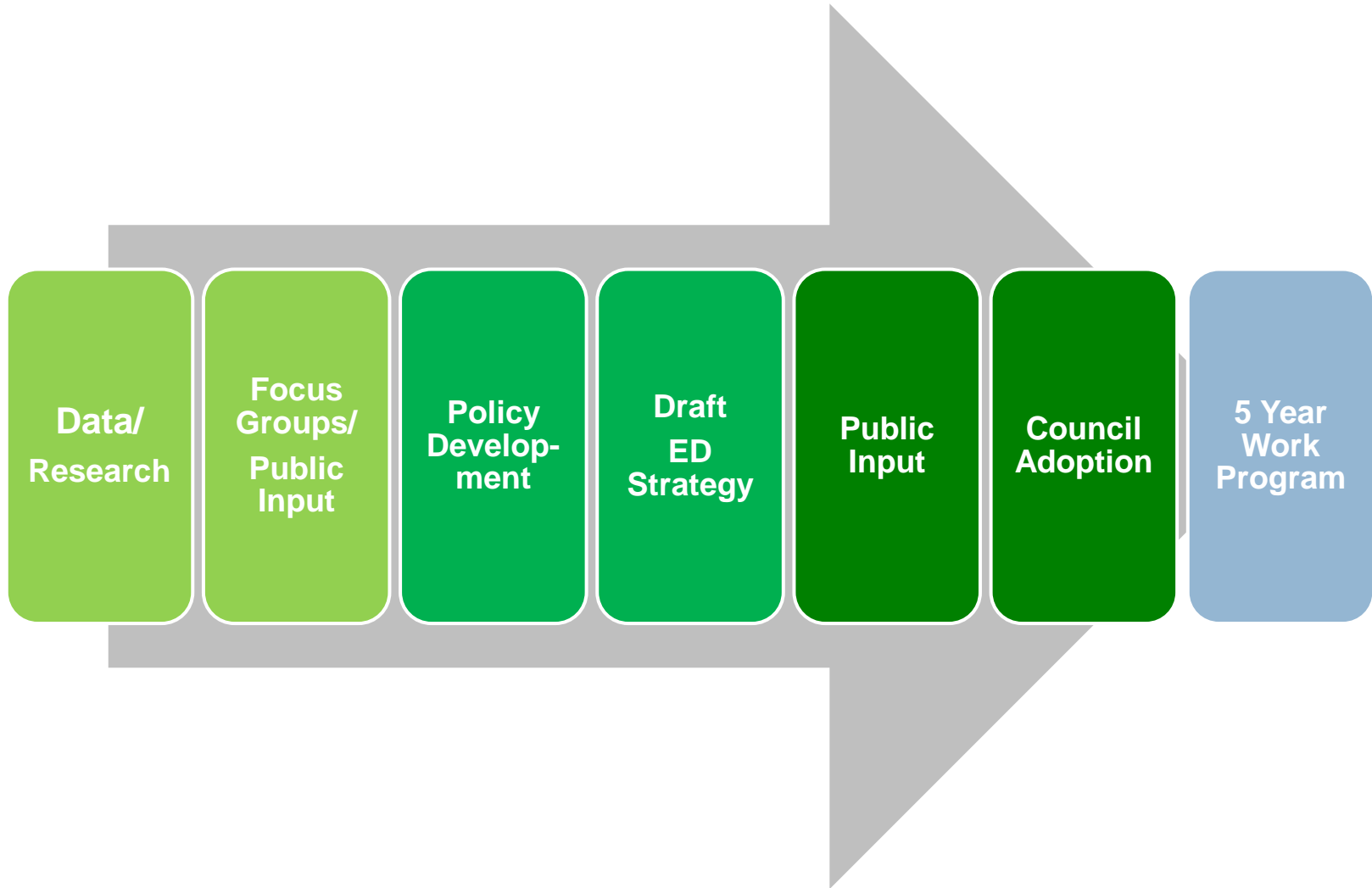


ED Strategy Aims to Integrate Existing Plans & Prioritize Actions

- General & Specific Plans
- Successor Redevelopment Agency
 - Long-Range Property Management Plan
 - Bond Spending Plans
 - Public & Private Investments
- Resiliency Handbook
- Transportation Strategic Plan
- Capital Improvement Plan
- Workforce Board Strategic Plans



ED Strategy Process



Stakeholder Engagement

Sector & Segment Focus Groups:

- Arts
- Clean & Green
- Tech
- Retail
- Small Businesses & Entrepreneurs
- Anchor Institutions
- Oakland's Role in the Region
- Business Financing & Incentives
- Equitable Growth
- Real Estate Development

- Interdepartmental Staff
- Neighborhood Mtgs

- Online Participation Forum:
SpeakUpOakland.org

Participation in Related City efforts:

- Resiliency Task Force
- Small Business Task Force
- Workforce Strategic Plan

What We Heard

- Equity & Diversity are strongly held values
 - including equity in geographic investments
- Support Oakland entrepreneurs and existing businesses
- Invest in the workforce & training; encourage more local hiring
- Use fees & incentives, especially incentives for businesses that support an under-served population



SHARING PROSPERITY IN OAKLAND

AN ECONOMIC DEVELOPMENT STRATEGY FOR 2017

DRAFT Principles and Values

Economic Security



Enable all residents to be economically secure, build wealth, and achieve their full potential

Equity & Diversity



Reduce racial gaps in employment, income, and ownership; resist displacement by building wealth in communities of color

Growing Good Jobs



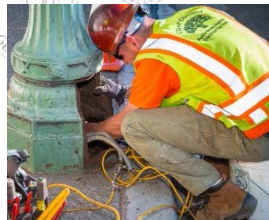
Help Oakland businesses thrive so they can preserve and add living wage jobs

Fiscal Sustainability



Expand the City revenue base to better fund services and community reinvestment

Efficiency



Optimize community benefits from limited public resources

Shared Responsibility



Recognize that economic development is a Citywide responsibility

Collaboration



Support internal collaboration and external partnerships

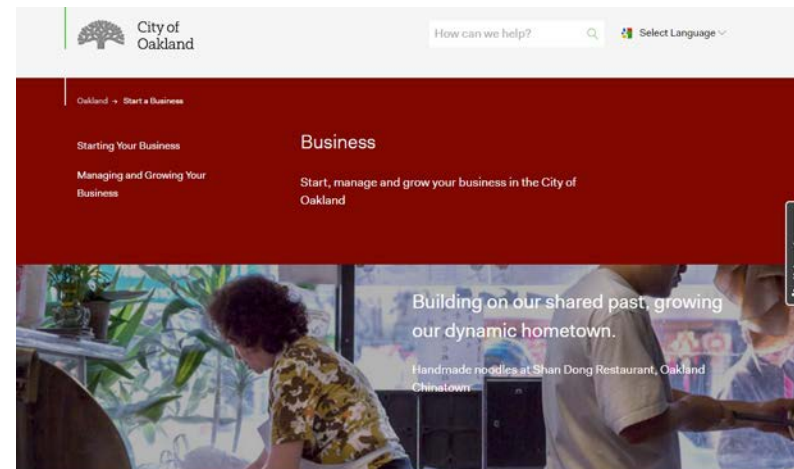
Transparency



Increase community awareness, involvement and ease of access, which are key to success

Goals – Oakland Business

1. Support the Growth, Diversity and Resilience of Oakland's Key Business Sectors, focusing on Retention and Expansion
2. Promote Small, Locally-Grown, Beneficial Businesses
3. Expand the Market Share of Businesses Owned by People of Color
4. Make Business Interactions with the City Predictable, Fast, and Easy



Goals – Oakland Workers

5. Increase Job Readiness and Career Pathways for Local Residents


6. Increase Economic Security for Workers and their Families

RESILIENT OAKLAND

It takes a town to thrive

Collaborative.
Data-driven.
Equitable.

Goals – Oakland Neighborhoods

7. Facilitate Catalytic and Neighborhood-Supporting Real Estate Development
8. Implement Specific Plans
9. Integrate and Support City Activities that Strengthen Oakland's Economic Climate, including in Housing, Transportation, and Public Safety

Goals – Oakland's Identity

10. Recognize and Support Cultural Arts as an Economic Driver



11. Promote Oakland for Business Development, Investment, Trade, Arts, & Tourism

Key Challenges

- Providing business services and making investments to grow the economy, while also focusing on reducing disparities
- Establishing and maintaining clear work priorities in order to be effective with limited staff and funding
- Balancing need for reinvestment in the local economy with other expenditure needs
- Establishing performance metrics and monitoring impact of City efforts



Key Needs

- Recognition and support for economic development
- Recognition of need for a comprehensive ED Strategy
- Consensus on priorities and strategic direction
- Resources to prepare a more fully-informed ED Strategy, including:
 - Additional research and data to improve decision-making and focus our efforts
 - More community-level workshops to generate input and feedback
 - Research on recent best practices in ED Strategies, tools, and performance metrics

Input and Feedback

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