

CITY OF OAKLAND

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AGENDA REPORT

TO: Sabrina B. Landreth
City Administrator

FROM: Mark Sawicki
Director, EWD

SUBJECT: Economic Development Strategy
Information Report and Study Session

DATE: March 20, 2017

City Administrator Approval

Date:

3/20/17

RECOMMENDATION

Staff Recommends That The City Council Receive An Informational Report And Provide Feedback On A Draft Economic Development Strategy.

EXECUTIVE SUMMARY

Over the last two years, City staff met with internal and external stakeholders to gather input on the creation of a city-wide Economic Development (ED) Strategy. The intent in preparing an ED Strategy is to formally determine and prioritize goals and actions, and to communicate internally and externally the City's efforts to enhance Oakland's business, employment and development climate.

Creating a strategy involves assessing Oakland's current economy, opportunities and challenges. Oakland has not had an adopted Economic Development Strategy since 1997, although many sector- or geographic-specific studies and plans have provided guidance to City policy development and activities. The draft ED Strategy synthesizes and builds on those prior efforts.

The draft ED Strategy includes a set of guiding principles and values, statements of the City's priorities as goals and actions steps, and a detailed workplan for implementation. The Strategy recognizes that improving the local environment for economic development is a City-wide responsibility and departments other than Economic & Workforce Development (EWD) play key supporting roles in crime and blight reduction, safety regulations, social services, and planning and zoning.

The attached draft ED Strategy is a work-in-progress. Staff requests that Council provide input and feedback on the principles, values, goals, and actions presented herein, consider the addition or subtraction of any goals and actions, and help determine priorities that can be addressed first with current resources. Staff is also soliciting any suggestions or requests regarding further community or Council engagement, or further policy research in any specific areas.

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BACKGROUND / LEGISLATIVE HISTORY

A number of factors have converged to dramatically restructure the landscape for local economic development in Oakland, presenting both new opportunities and challenges. These include:

1. A sustained upturn in economic growth and a national rise in recognition, bringing new jobs, new investments, and new residents;
2. A correlated decrease in affordability in both commercial and residential spaces, leading to displacement of many businesses and residents;
3. A significant restructuring of public tools for community development, including the statewide dissolution of redevelopment agencies, the reduction of federal funding such as Community Development Block Grants for economic development activities, the evolution of new financing and social impact investing, and revisions to Federal workforce development legislation; and
4. An increasing national conversation around income equality. Oakland is invested in shaping the equality discussion and the City intends to apply an equity lens to all its actions. Strong local ideas are emerging about the type of economic development the City wants to see. Oaklanders share values around equity, inclusive growth and love of their hometown, but differ passionately in how to build policy around those values.

The City's last Economic Development Strategy was adopted in 1997. In 2015, the Community and Economic Development (CED) Committee heard a preliminary report on preparing a new ED Strategy, outlining the concept and public engagement to be undertaken. In the absence of a current adopted city-wide ED strategy, staff has relied on several other efforts to direct economic development activities. These include six adopted Area Plans, the Land Use and Transportation Element of the General Plan, and the Workforce Strategic Plan. Oakland has several published economic studies that are now 10 and 20 years old. Attachment 2, Appendix B summarizes these efforts. In recent years, the EWD Department has also contributed to other strategic efforts including the Housing Equity Roadmap, Resilient Oakland Playbook, and Transportation Strategic Plan. Each of these processes has created work items for EWD which are now captured in the ED Strategy. In partnership with the Oakland Metropolitan Chamber of Commerce, Staff has also collected and analyzed additional data on businesses, employment, and revenues.

ANALYSIS AND POLICY ALTERNATIVES

The purpose of creating an ED Strategy is to forge consensus around the administration's workplan towards shared prosperity or "equitable economic development." The ED Strategy is also intended to make the City's economic development activities more effective and transparent. The Draft Strategy identifies core principles and values related to economic development and, based on these, a set of goals and actions. These will guide the City's EWD Department over the next five years, while also fostering coordinated efforts across city

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departments that are integral to successful economic development. Some of the recommended goals and actions, such as improved digital services for businesses or the creation of a Cultural Arts Plan, are already underway or scheduled.

Importantly, the ED Strategy is intended to be a communication tool for both members of the community and external parties. It should clearly convey the City's values, goals, and activities related to economic development, workforce development, and community investment to external partners--including businesses, potential investors, and community members. It should also set priorities, inform budget and resource allocation decisions, and foster internal collaboration around shared goals and actions.

FISCAL IMPACT

A primary purpose of economic development is to encourage investment in Oakland that expands the economic base, thereby increasing City revenues available to fund essential City services and community benefits. The ED Strategy seeks to continue to grow City revenues as well as indicate where the City should make additional or targeted investments to achieve more equitable development.

PUBLIC OUTREACH / INTEREST

To date, the ED Strategy team has conducted 10 focus groups representing different industries and economic segments and an online forum. Staff has also attended and received input from additional neighborhood meetings on economic development in East and West Oakland.

COORDINATION

Staff hosted an interdepartmental Staff Charrette and has met with and continues to meet with the following departments to inform the creation of the ED Strategy:

- Planning
- Building
- Public Works
- Race & Equity
- Human Services
- Housing and Community Development
- Resiliency Task Force
- Mayor's Office

EWD staff are also engaged in implementing actions from the Housing Equity Road Map, Resilient Oakland Playbook, and Transportation Strategic Plan. The ED Strategy reflects these continuing efforts.

SUSTAINABLE OPPORTUNITIES

Economic: The successful implementation of an ED Strategy can yield growth in business activity, jobs and training, wealth building, and overall economic security of residents.

Environmental: The ED Strategy includes goals and actions to improve the business climate, including blight remediation and infrastructure improvements.

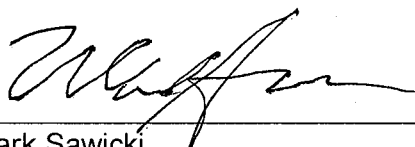
Social Equity: The ED Strategy identifies clear racial disparities in Oakland's income, employment, and business ownership levels and recommends actions to increase the economic strength of Oaklanders of color. The Strategy also recommends making City business services more accessible to low-income entrepreneurs.

ACTION REQUESTED OF THE CITY COUNCIL

Staff requests that the Council receive this informational report and provide feedback on the draft Economic Development Strategy.

For questions regarding this report, please contact Marisa Raya at 238-6230 or mraya@oaklandnet.com.

Respectfully submitted,



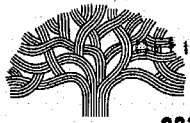
Mark Sawicki
Director, Economic & Workforce Development

Prepared by:
Marisa Raya, City Administrative Analyst
Special Projects

Attachments (4):

- A. Economic Development Strategy, Executive Summary
- B. Economic Priorities Ranking and Feedback Form
- C. Economic Development Strategy, Internal Discussion Draft
- D. Presentation

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SHARING PROSPERITY IN OAKLAND AN ECONOMIC DEVELOPMENT STRATEGY FOR 2017

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Executive Summary

The Economic Development Strategy is intended to align the City's economic development efforts around a shared set of values, priorities, and investments. Oakland is a city that embraces inclusive growth. The Strategy identifies twelve initiatives to strengthen the City's current economic development work, grow sustainably and reinvest public resources in programs that build local wealth and preserve affordability.

For the next five years, the following values and goals should guide the City's Economic and Workforce Development activities:

Eight Values

Economic Security



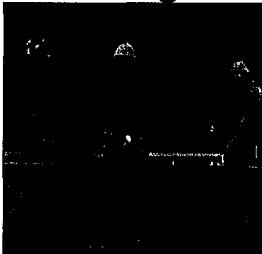
Enable all residents to be economically secure, build wealth, and achieve their full potential

Equity & Diversity



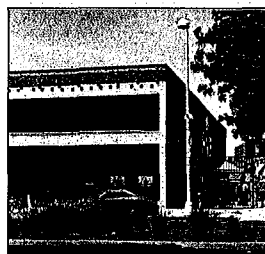
Reduce racial gaps in employment, income, and ownership; resist displacement by building wealth in communities of color

Growing Good Jobs



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

Fiscal Sustainability



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

Efficiency



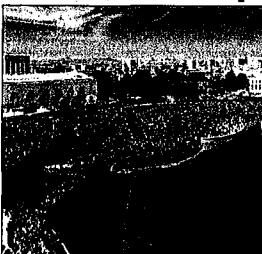
Optimize community benefits from limited public resources

Collaboration



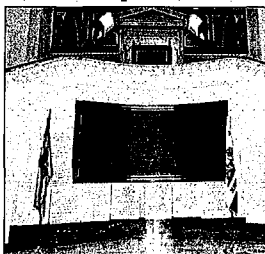
Support internal collaboration and external partnerships

Shared Responsibility



Recognize that economic development is a Citywide responsibility

Transparency



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

Goal 1: Support the Growth, Diversity, and Resilience of Oakland Businesses, Emphasizing Retention and Expansion

1. Assess the specific growth opportunities and challenges, including employer outreach, land and infrastructure needs, talent development, expansion potential and local supplier and vendor opportunities, for Oakland's key industry sectors: Health & Wellness, Arts, Manufacturing, Food Production, Tech, Clean & Green Tech, Transportation & Logistics, and Retail
2. Support business incubators and the formation and expansion of industry associations

Goal 2: Promote Local, Small and Beneficial Businesses

1. Evaluate the Small Business Task Force recommendations, including establishing an ongoing body for policy feedback
2. Increase small business access to internal and external business support services and financial incentives.
3. Establish a "Good for Oakland" recognition program to recognize businesses that contribute to a more equitable economy.
4. Conduct targeted geographic outreach for services
5. Formalize a business retention program to assist _____ # businesses

Goal 3: Expand the Market Share of Businesses Owned by People of Color

1. Target business services and resources, including access to capital, including access to capital to underrepresented entrepreneurs
2. Encourage large firms to form supplier-vendor relationships with businesses owned by people of color

Goal 4: Make All Interactions Between City and Business Predictable, Fast, and Easy

1. Launch a digital, mobile, multi-lingual portal for business licensing, planning, permits and support
2. Review policies and practices and streamline processes for improved service delivery in all business-government interactions.
3. Reposition the Oakland Business Assistance Center to better assist startups and retention

Goal 5: Increase Job Readiness and Career Pathways for the Local Workforce

1. Work with partners to facilitate access to a diverse and highly skilled local talent pool
2. Use workforce incentives and tools to encourage Oakland-based businesses to hire more local residents
3. Assess, refine, and help implement training in priority neighborhoods and communities
4. Inform and support career pathways offered by adult education, community colleges, and education/training partnerships
5. Strengthen and expand work-based learning opportunities for youth
6. Enhance the organizational capacity of the Oakland Workforce Development Board and staff to effectively serve residents

Goal 6: Increase Economic Security for Workers and their Families

1. Leverage banking and financial empowerment programs to engage low income workers and identify asset-building opportunities
2. Support job placement programs and reduce barriers to employment
3. Encourage entrepreneurship through access to capital and technical assistance
4. Expand the capacity and market share of businesses owned by worker cooperatives
5. Monitor affordability and benefit gaps
6. Explore gig economy interventions to move more workers to job security

Goal 7: Facilitate Catalytic and Neighborhood-Supporting Real Estate Development

1. Continue the key projects of the former Redevelopment Agency on remaining City-controlled land parcels, including Coliseum City, Henry J. Kaiser Convention Center, Oak Knoll and others
2. As a replacement for the loss of Redevelopment tax increment financing, consider reinvesting proceeds generated from successful leases, land sales and public-private project revenues into new catalytic development projects, including site acquisition and façade and tenant improvements
3. Complete a portfolio asset management plan for all City-Owned Properties
4. Establish criteria and assess the social and equity impacts of the City's public-private property Investments.

Goal 8: Implement Specific Plans

1. Assess the status of each plan's implementation actions and prioritize and market opportunity sites
2. Work with the Planning Department to support the implementation of the Downtown Specific Plan and an Equitable Development Strategy for downtown and all plan areas
3. Capitalize on the opportunity to reinvent the Coliseum Area as an economic driver with the inclusion of sports, entertainment, residential and commercial uses.

Goal 9: Integrate and Support City Activities that Strengthen Oakland's Economic Climate, including in Housing, Transportation, and Public Safety

1. Facilitate new private and nonprofit development, including ____# below market and ____# market rate homes
2. Acquire and rehab vacant and blighted properties into permanently affordable workforce housing; protect ____# households from displacement
3. Continue to Implement the Housing Equity Roadmap and recommendations of the Housing Cabinet
4. Adopt amendments to the City's real estate disposition ordinance to add priorities for affordable housing and create more transparency and community input
5. Encourage and incentivize more landlords to rent affordable spaces, including by resourcing the Residential Lending Program and keeping regulations transparent and easy to follow.
6. Support neighborhood commercial districts and healthy neighborhood planning, including corridor planning and design and investing in public spaces.
7. Coordinate City departments to reduce blight and keep neighborhoods safe, clean, and vibrant.
8. Work with the Department of Transportation to advance major area improvements, such as International Boulevard, Coliseum Area, West Oakland, and regional congestion and goods movement projects.
9. Support holistic community safety through the creation of economic opportunities, neighborhood investment, and a safe working environment



Goal 11: Recognize and Support Cultural Arts as an Economic Driver

1. Create a Cultural Arts Plan that includes an arts sector growth strategy, space needs, professional development, and a body to support ongoing policy development.
2. Establish partnerships with foundations other funding partners and community development organizations to acquire, lease, and maintain affordable arts spaces, through strategies identified by the Mayor's Artist Housing and Workspace Task Force
3. Reopen the Calvin Simmons Theater at the Henry J. Kaiser Convention Center and create affordable rehearsal, studio and performance space
4. Invest in professional development opportunities and other support systems to strengthen artists and arts organizations
5. Increase awareness of and access to the City's Cultural Funding Program



Goal 12: Promote Oakland for Business Development, Investment, Trade, Arts, & Tourism

1. Recruit marketing staff
2. Reorganize and reposition the City's economic development website to be more inviting and accessible
3. Collaborate with Visit Oakland to market hotels and convention center, neighborhood attractions, arts and culture
4. Develop a branding/marketing strategy to promote businesses that reflect Oakland's unique economic climate, development activities and values
5. Promote development opportunity sites to brokers, developers, investors and end-users
6. Promote and support social enterprises, co-ops, and innovative business models
7. Adopt and continually report economic performance metrics that support policy analysis and tell Oakland's story

Economic Development Strategy

Priority Ranking: 1 = Active, Immediate, High Impact; 2 = within 3 yrs if resources allow;

3 = within 5 yrs if resources allow; 4 = deferred until more resources budgeted

	Goals and Action Steps	Priority Ranking 1-4	ongoing/ current	within 1 yr	within 2 yrs	within 3 yrs	City Lead	Support	External Partners
1.0									
1.1	Assess the specific growth opportunities and challenges for Oakland's key industry sectors, including employer outreach, land and infrastructure needs, talent development, expansion and local supplier and vendor opportunities, and sector strategy updates.			✓			EWD - BD		
1.1.1	Review and Update the 2008 Retail Strategy, including leakage data, and determine current priorities for implementation			✓			EWD - BD		
1.1.2	Cultivate supplier and vendor companies and continue to invest in training healthcare workers to support Oakland's Health & Wellness anchors			✓			EWD - BD		
1.1.3	Support talent development initiatives and partnerships to increase the diversity of workers and entrepreneurs in the Tech sector		✓	✓			EWD - BD		
1.1.4	Support the infrastructure, land and expansion needs of the Manufacturing and Food Production sectors.		✓	✓			EWD - BD		
1.1.5	Complete the Army Base redevelopment into the Oakland Global Logistics Center (Transportation & Logistics sector) – see 7.1.1		✓			✓	EWD - BD		
1.1.6	Support the expansion of the Clean & Green sector in connection with City environmental goals and policies; increase green business certification and market the strength of this sector.		✓		✓		EWD - BD		
1.1.7	Leverage partnerships to increase space, business, and development opportunities in the Arts			✓	✓		EWD - BD		
1.1.8	Consider assigning specialist staff to monitor the growth of the Cannabis sector.			✓			EWD - BD		
1.2	Support business incubators and the formation of industry-specific associations.		✓	✓	✓		EWD - BD		
2.0									
2.1	Evaluate Small Business Task Force recommendations, including establishment of a body to provide ongoing input on the unique needs and challenges of small business, request and review relevant data, and provide recommendations to staff and Council		✓	✓	✓		EWD - BD		
2.2	Increase small business access to City Business Support Services, financial incentives and external business service organizations			✓	✓		EWD - BD		
2.3	Establish a "Good for Oakland" program to recognize Oakland businesses that contribute to a more equitable economy.			✓	✓		DESP/EWD - BD		
2.4	Conduct geographic outreach for business development services, based on a similar model for International Boulevard Corridor outreach related to the Bus Rapid Transit Project			✓	✓	✓	EWD - BD	HCD	
2.5	Formalize a retention program to assist ___ of small businesses and non-profit organizations to remain in Oakland		✓	✓	✓	✓	EWD - BD		

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Economic Development Strategy

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	Goals and Action Steps	Priority Ranking 1-4	ongoing/ current	within 1 yr	within 2 yrs	within 3 yrs	City Lead	Support	External Partners
6.0	Increase Economic Security for Workers and their Families								
6.1	Leverage Banking and Financial Empowerment programs to engage and support low income workers and identify asset-building opportunities			✓	✓		DESP	BD; WD	
6.2	Reduce barriers to employment and support job placements		✓	✓	✓	✓	DESP	BD; WD	
6.3	Encourage entrepreneurship through access to capital, technical assistance and education (See Action 3.1)			✓	✓	✓	DESP	BD; WD	
6.4	Expand the Capacity and Market Share of Businesses owned by worker cooperatives				✓	✓			
6.5	Monitor affordability and benefit gaps			✓	✓	✓			
6.6	Explore gig economy interventions to move more workers to job security				✓	✓	DESP	BD; WD	

Economic Development Strategy

Priority Ranking: 1 = Active, Immediate, High Impact; 2 = within 3 yrs if resources allow;

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Goals and Action Steps	Priority Ranking 1-4	ongoing/ current	within 1 yr	within 2 yrs	within 3 yrs	City Lead	Support	External Partners
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Economic & Workforce Development (EWD) Department Divisions:

- BD Business Development (formerly Economic Development)
- WD Workforce Development
- PPD Public/Private Development (formerly Project Implementation)
- CD Cultural Development (Cultural Arts)

Other City Lead, Support, Partners:

- DESP Mayor's Office Director of Equity & Strategic Partnerships
- HCD Housing & Community Development Department
- PBD Planning & Building Department
- OPW Oakland Public Works Department

Attachment C

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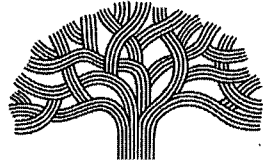
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Sharing Prosperity in Oakland
An Economic Development Strategy for 2017

INTERNAL REVIEW DRAFT

March 2017





CITY OF OAKLAND

Prepared by

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With Support from Consultants

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The project team would like to acknowledge and thank the Mayor's office, City Administrator's Office, Planning Department, Public Works Department, Human Services Department, City Resiliency Team, Civic Innovation Fellows Sergio Suarez and Kirsten Lundgren, and all the members of Oakland's economy who participated in Focus Groups, meetings and online in the development of the draft Strategy.

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EXECUTIVE SUMMARY

A number of factors have converged to dramatically restructure the landscape for local economic development in Oakland, presenting both new opportunities and challenges. These include:

1. A sustained upturn in economic growth and a rise in national recognition, bringing new jobs, new investments, and new residents;
2. A correlated decrease in affordability in both commercial and residential spaces, creating pressures resulting in the displacement of many businesses and residents;
3. A significant restructuring of public tools for community development, including the statewide dissolution of redevelopment agencies, an evolution of community-based financing, and a shift in focus for Federal workforce development programs toward the needs of business; and
4. A national conversation around the dramatic increase in income inequality. Oaklanders share values around equity, inclusive growth, and love of their hometown, but differ passionately in how to build policy around those values, leading to some innovative ideas about how the city might support future economic development.

New economic opportunities continually arise in Oakland, but growth is not benefitting Oakland residents and businesses equally. Some households have lost ground as the cost of housing has rapidly escalated in the last two years. Commercial rents are also on the rise, putting pressure on many nonprofits and local businesses. Rising market rents for residential and commercial space has spurred new investment in Oakland, but a variety of factors, including rising costs of construction, have held back development that could meet new demand. Despite an overall rise in employment and wealth, Oakland's citywide poverty rate of 20% has changed little in the last decade and remains higher than the national poverty rate of 15%¹, indicating that income inequality within Oakland has grown. The school district is improving, but too many young Oaklanders still drop out. Crime rates have declined but remain at unacceptably high levels. Many in Oakland are alienated, are not seeking, or are unable to find quality work. Finally, while new interest and investment has brought positive changes to some neighborhoods, it has also left community members and City representatives concerned about Oakland's long-term affordability, diversity, and ability to extend and share economic prosperity.

This Economic Development Strategy is a move to forge consensus around an "equitable economic development" workplan for the City – recognizing that economic growth in Oakland is not sufficient if our prosperity is not more equitably shared. The Strategy identifies specific goals and initiatives that reflect Oakland's core principles and values, which will guide the City's Economic and Workforce Development Department over the next five years while also fostering coordinated efforts across city departments that are integral to successful economic development. The Strategy is intended to make the City's economic development activities more results-based, implementation-oriented, and transparent. It seeks to communicate to external partners - including businesses, potential investors, and community members - about the City's priorities and intentions for economic development, partnership, and investment.

¹ American Community Survey 2014.

Our City's economic development efforts should reflect both the City's shared values and our current economic realities, including both our opportunities and challenges. The City desires financial sustainability, reinvestment in Oakland, a high quality of life for our residents and widespread access to career and wealth-building opportunities. We seek to maintain and grow a resilient economy that has proven to be strong in many sectors, helping our economy to weather industry volatility, with diversified and growing revenue sources to bolster city services. We hope to enhance our efforts with leveraging private-sector innovation, supporting social enterprises and growing our local businesses while strategically inserting public sector resources to unlock and enable community and market potential.

As such, the following principles and values have been identified as drivers of this Strategy:

1. **Economic Security**—Residents should be economically secure and be able to build wealth and achieve their full potential
2. **Equity and Diversity** – The City should aim to reduce racial gaps in employment, income, and ownership, and maintain community diversity, and resist displacement by building wealth in communities of color **Growing Good Jobs** – Thriving businesses will preserve and grow good jobs for City residents
3. **Fiscal Sustainability** – An expanded City revenue base will allow us to better fund services and community investment
4. **Efficiency** – The City must optimize community benefits from limited public resources
5. **Shared Responsibility** – All City Departments contribute to Oakland's economic development climate.
6. **Collaboration** – In addition to internal collaboration, the City will need external partnerships to accomplish its economic development goals.
7. **Transparency** –Community awareness, involvement, and ease of access to economic development opportunities are essential for success.

With those principles and values as a guide, the Strategy identifies the following set of goals:

1. **Support the Growth and Resilience of Oakland's Key Business Sectors, Emphasizing Retention and Expansion**
2. **Promote Small, Locally-Grown, and Beneficial Businesses**
3. **Expand the Capacity and Market Share of Businesses Owned by People of Color**
4. **Make Business Interactions with the City Predictable, Fast, and Easy**
5. **Increase Job Readiness and Career Pathways for Local Residents**
6. **Increase Economic Security for Workers and their Families**
7. **Facilitate Catalytic Development and Revitalization Projects**
8. **Implement Specific Plans**
9. **Integrate and Support City Activities that Strengthen Oakland's Economic Climate, including in Housing, Transportation and Public Safety**
10. **Recognize and Support Cultural Arts as an Economic Driver**
11. **Promote Oakland for Business Development, Investment, Trade, Arts, & Tourism**

I. INTRODUCTION

Today, the City of Oakland is reaping the benefits of rapid economic growth. Population and employment levels have expanded well beyond pre-recession levels, with the total number of jobs in the City rising from 155,000 in 2010 to 200,200 by 2017. Unemployment among Oakland residents dropped from a high of nearly 17 percent in 2009 to 4.9% by the end of 2016.² Importantly, unemployment disparities between Oakland's demographic groups are also on the decline: African-American unemployment fell from 25% in 2013 to 9% in 2015, while Latino and Asian unemployment fell from 11% to 7% and 8%.³ While maintaining and even growing its historic strength as the Bay Area's major health, transportation and logistics hub, Oakland has also gained increasing local and national attention for other industries and attributes: its thriving arts scene, solar and green energy cluster, food production, "maker" movement, and a unique character and lifestyle that reflects the diverse and engaged population for which the City has long been known. City businesses as a whole are thriving to such an extent that room to grow has become a challenge, as industrial, downtown office and retail vacancies have all reached record lows. Finally, the development pipeline is growing. Over 2,000 new housing units are under construction or recently completed, with another 17,000 approved or in pre-development discussions. Following investments in the rehabilitation and repurposing of pre-existing space for commercial and office uses, new office construction is planned for the first time in seven years.

Oakland's growth and rapid price acceleration are bringing the City more closely aligned with the strong Bay Area regional economy. The Bay Area's remarkable growth, coupled with shifting cultural preferences for urban living, has brought both investment and new residents to Oakland. Economic growth has been accompanied by citywide increases in rents and sales prices for both housing and commercial space, creating gains for property owners and investors to build while also exacerbating challenges for renters and current businesses on short term leases. At the same time that new businesses are forming and rents are on the rise, middle-income jobs are in decline both regionally and nationally. Over the past two decades income inequality has risen in the U.S. and even faster in California. California has the nation's highest rate of poverty, even without taking into account the state's comparatively high cost of living, and this poverty shows sharp racial disparities: 22 percent of the state's African-Americans and 21 percent of Latinos lived in poverty in 2015, compared to 14 percent of whites.⁴ These larger economic forces manifest locally in Oakland in both accelerated displacement of low and middle-income renters and large income gaps both demographically and by neighborhood. Oakland's poverty rate remains unchanged at close to 20% despite an increase in wealthy residents. The City's location at the center of the Bay Area, the nation's most thriving and expensive metropolitan region, has amplified pressures on local property market values, yet low-income Oaklanders are experiencing an acceleration in economic insecurity.

This Economic Development Strategy is intended to proactively respond to these challenges and changing circumstances by aligning the City's economic development efforts around a shared set of values, priorities, and investments. Oakland is a city that not only embraces inclusive growth, but it is at an opportune economic time to think strategically about how to sustainably grow and reinvest public

² CA State Employment Development Department.

³ American Community Survey, 2013-2015. The size of Oakland's African-American population also increased slightly during this time period.

⁴2012 Population Survey, Annual Social & Economic Supplement.

resources in programs that build local wealth and preserve affordability. The Strategy identifies ten initiatives to strengthen the City's current economic development work and push it in this direction.

The Economic Development Strategy emphasizes the importance of and inextricable link to the City's financial sustainability in order for the City to continue community investments and provide a high level of services. The City of Oakland budget has been structurally altered by both the last recession and the statewide dissolution of Redevelopment Agencies. As a result, the City has lost a significant source of revenue for affordable housing and other community development activities. Therefore, the Strategy looks broadly at all citywide investments and resources to identify opportunities to leverage dollars to make up this community development gap. At the same time, it seeks to encourage social enterprises and positive efforts in the private sector to holistically enrich communities and reduce the need for services.

Led by the Mayor, the City of Oakland has had a targeted focus on equitable economic development. This leadership offers the opportunity to align City departments around concrete economic development goals and actions that respond to the current context. This strategy seeks to incorporate a racial and geographic equity lens in the application of local economic development policies, address access to new economic opportunities for disadvantaged communities, and improve internal and external coordination around a set of common values that drive growth and shared prosperity.

STRUCTURE OF THE STRATEGY

This strategy includes the principles and values that will shape the City's approach to economic development, followed by the goals and strategies for implementation over the next five years. The structure of the Strategy is as follows:

- **Chapter II** describes the principles and values that will guide the City's economic development activities for the next five years. They reflect the input and feedback from focus groups representing different economic clusters and communities that make up Oakland's economy, as well as consultation with multiple city departments.
- **Chapter III** lays out the specific Goals and Action Items prioritized over the next five years.
- **Chapter IV** provides an overview of current economic conditions in the City of Oakland. This section is intended to provide a baseline assessment of economic conditions. However, economic conditions are dynamic, and the Strategy will need to be revisited in the future in response to changing conditions
- **Chapter V** discusses the roles and responsibilities for different City departments and external partners in implementing economic development. It also includes an overview of various related planning documents that guide and influence the City's economic development efforts.
- **Appendices A, B, and C** provide a detailed implementation matrix for the Action Items, a summary document review, and a summary of input and feedback that shaped the Strategy.

Oakland
POP: 413,775

Unemployment 2010-2016

Unemployment

4.9%

Labor Force

212,100

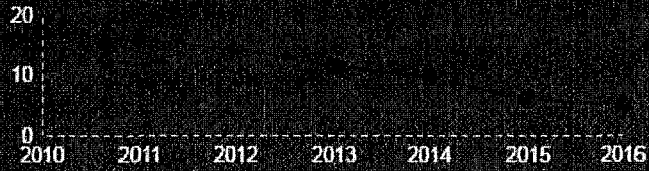
Jobs in Oakland

180,865

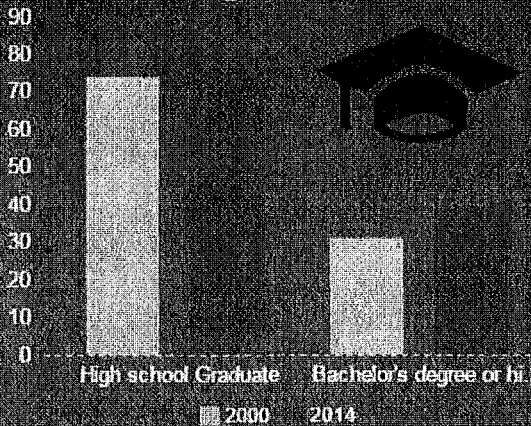
Oakland Workers who Live in Oakland

24%

State EDD, Census LEHD. Jobs figure is 2015.



Oakland Educational Attainment (Ages 25+)



Unemployment by Zipcode
September 2015, Estimated

44,800 Businesses

43%

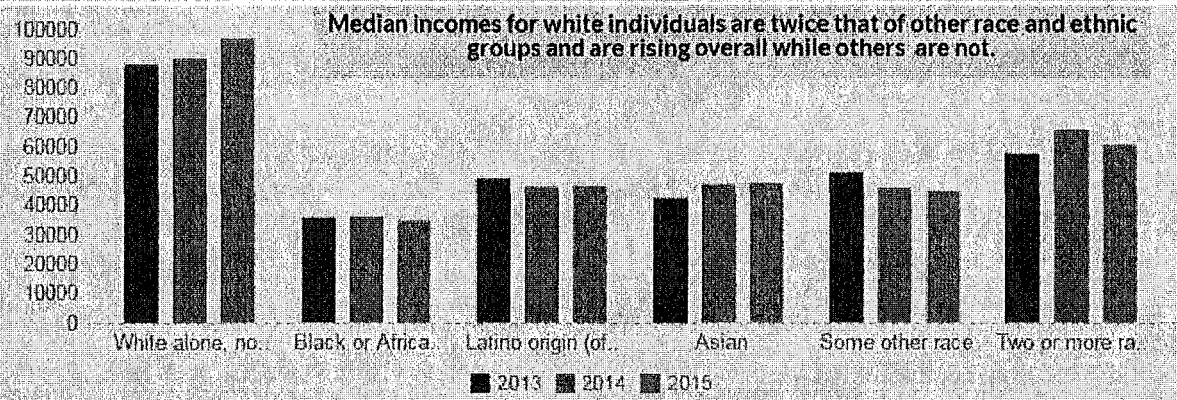
Women-owned

51%

People of Color-owned

Demographics from US Census Survey of Business Owners, 2012

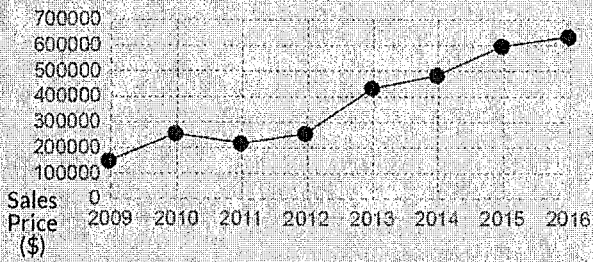
Median Incomes in Oakland by Race or Ethnicity



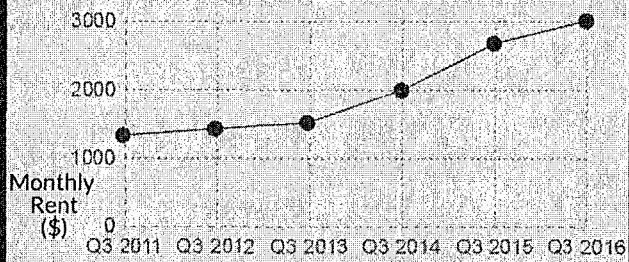
Source: CA State Employment Development Department, Bureau of Labor Statistics, American Community Survey

Residential Real Estate

Median Single Family Home Price



Quarterly Rent Average



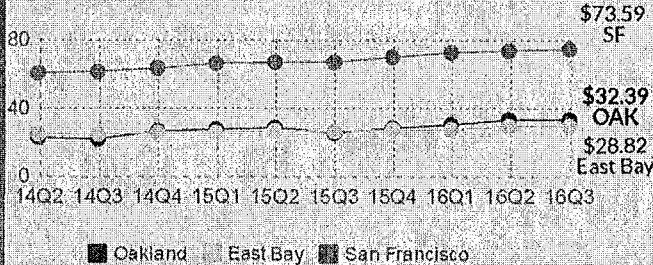
Commercial Real Estate

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

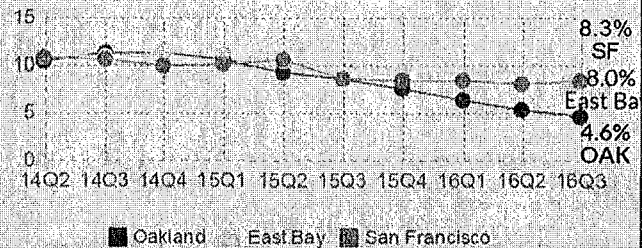
Office Vacancy: 4.6%
Rent/square foot: \$32.39
Downtown: 3.2%, \$43.87
East Bay: 8%, \$28.82

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

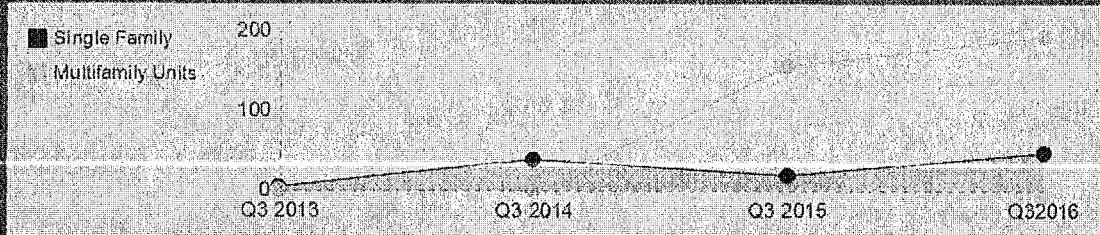
Office Average Rents/Square Foot



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

Sources: HDL Companies, JLL, Zillow, CoStar Market Analytics, City of Oakland Planning & Building Department
Dashboard Compiled by Economic and Workforce Development Department. Contact or Subscribe: mrtya@oaklandnet.com

II. PRINCIPLES AND VALUES GUIDING ECONOMIC DEVELOPMENT IN OAKLAND

Oakland defines itself by a set of core principles and values that establish the City as a unique place to live and do business. The eight principles and values described reflect the input and feedback from extensive outreach to business owners, residents, civic leaders, City elected officials, and staff from multiple departments. These values provide a guide to the City's economic development efforts for the next five years.

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

Oakland's first value is the economic well-being of its residents, including their housing, transportation needs, access to education, health & safety, and access to wealth-building opportunities. Released in 2016, Oakland's *Resiliency Handbook* focused on economic and housing security as key to a thriving Town, identifying initiatives to improve the safety, health, and economic assets and security of lower income residents. These initiatives include financial empowerment, job training, and business services aimed at the lowest income Oaklanders. This ED Strategy honors this work by incorporating those initiatives, and recognizes the work across the City to build the infrastructure for a stable economy.

Equity and Diversity - Reduce racial gaps in employment, income, and ownership; maintain diversity

Oakland's ethnically diverse residents and businesses define Oakland. The confluence of cultures in the City is a creative driver in the economy, continues to attract diverse new residents, and is an asset for both anchor institutions and new entrepreneurs. The retention of this diversity was a top priority for every focus group engaged in the development of this Strategy. The traditional metrics of successful economic development – increased jobs, new real estate investment, and a growing tax base – are only meaningful when all Oakland residents, including people of color and low-income households, fully participate in and share the benefits from economic growth. While addressing the full scope of current economic disparities requires action at the federal, state, and regional levels, the City of Oakland can help address the broader-equity challenge by supporting local workers and existing businesses, engaging entrepreneurs of color, supporting housing choices and affordability, and deepening its reach and commitment towards neighborhoods and demographic groups that have historically benefitted less from economic growth. The City must increasingly focus on ensuring equal access to economic opportunities through career pathways, business creation, and investment. The growing positive perception of Oakland in national and international media is an opportunity to promote the City as a place of opportunity for all. This Strategy aims to organize and align the City of Oakland's policies and resources around this shared vision of inclusive economic development.

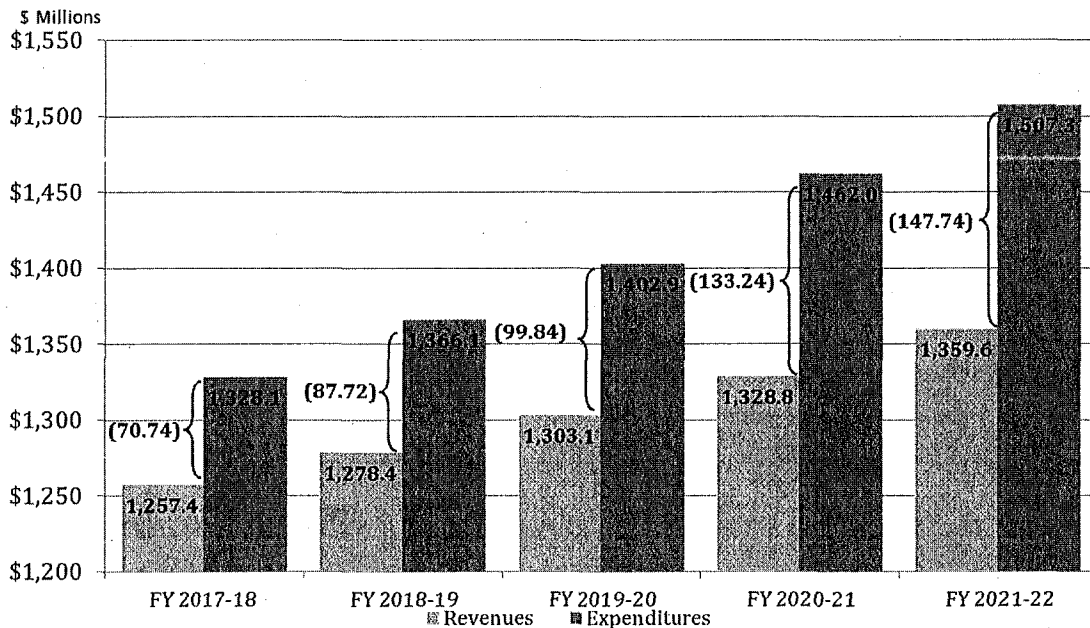
Growing Good Jobs – Help businesses thrive so they can preserve and add jobs

Oakland’s economy is driven by a diverse range of employment sectors and industry clusters that reflect the City’s many competitive advantages. The City’s key employment clusters include healthcare, international trade and logistics, manufacturing, food and beverage production, the creative arts, information technology, government, and hospitality/retail. (See page 29 for a detailed sector overview.) The City has consistently focused business retention and attraction efforts on these clusters over the past two decades and should continue to do so. Industry diversity is the basis for a resilient economy that is better able to withstand external shocks to individual sectors, while providing jobs for workers at a range of skill levels. To further maintain and strengthen resilience, the City must also continue to balance investment in sector-driven workforce development training with support for entrepreneurs and small businesses driving new economic opportunities and innovation.

Fiscal Sustainability – Expand City revenue base to better fund services and community investment

A primary purpose of economic development is to foster new investment, expand the economic base, and thereby grow the City’s revenues which, in turn, can be used to fund essential City services and community reinvestment. Stable and increasing revenue streams allow the City to improve public health and safety, subsidize affordable housing, rebuild and enhance infrastructure, and improve the quality of life for residents. The primary sources of revenue for the City, property tax, sales tax, hotel tax, business license tax, and utility tax, are all directly tied to economic activity. The City’s fiscal position is improving, but expenditures are projected to rise faster than revenues, particularly health and retirement costs. (See Figure 1 below.) By consistently expanding Oakland’s economic base by relatively small amounts, the impact on the City’s budget and ability to fund services is dramatic. More than 50% of City revenues are tied to the real estate market. From an economic development perspective, this means that successful development of large scale projects is critical to the City’s overall economic health, but also suggests the continuing need to develop diverse revenue sources.

Figure 1. Five Year Financial Forecast: Projected Revenues, Expenditures, & Shortfall



City of Oakland Revenue Department

Efficiency - Optimize community benefits from limited public resources

Following the Great Recession and the State's dissolution of Oakland's Redevelopment Agency, the City has had significantly fewer resources and tools to support economic development, though to a limited extent, the City has been able to continue to create and advance catalytic real estate development projects in priority areas. Oakland has laid extensive groundwork for investment through six recent Specific Plans and the International Boulevard Transit-Oriented Development Plan. These plans create a regulatory framework for new development and identify an economic vision and focus for new investment. This Strategy furthers that focus of investment in the Specific Plan Areas and other priority locations to ensure that the City's limited resources are deployed to maximum effect. By prioritizing shared goals and coordinating efforts, the City can leverage public dollars to provide community benefits, spur local economic activity, generate new revenues, and achieve the highest return on public investment. In the absence of the tax increment revenue the Redevelopment Agency relied on to spur new private investment, the City should use the revenue it generates from the disposition and development of City-owned land to continually reinvest in new strategic and catalytic development projects.

Shared Responsibility - Recognize that economic development is a City-wide responsibility

The Economic and Workforce Development Department (EWDD) has the primary role within the City for promoting the retention, expansion and attraction of businesses, enhancing Oakland's workforce opportunities, implementing strategically valuable development projects, and promoting a healthy investment environment. However, many other City departments also play pivotal roles providing services and support to the business community: from the Mayor's Office, City Council, and City Administrator's Office, which provide leadership and direction; to Planning and Building, which sets and enforces the regulatory framework; to the Police Department, Public Works, Housing and Community Development, and Health and Human Services, which maintain an environment that is conducive for business. According to our Mission Statement, "the City of Oakland is committed to the delivery of effective, courteous, and responsive services." All City departments must recognize they play a role in helping to retain and grow our businesses, and attracting others to invest in Oakland.

Collaboration - Support internal collaboration and external partnerships

Oakland's economy is driven by investors, large and small businesses, and creative entrepreneurs, many of whom are in need of a strong enabling environment. To support economic growth, City services must be responsive to evolving business needs and adjust as needed to respond to a dynamic economy, while remaining accountable to the public. EWDD's business retention and attraction activities are but one piece of maintaining an entrepreneur- and business-friendly climate. The success of Oakland's businesses is also affected by the predictability and speed of the permitting process and other City interactions, as well as by the zoning regulations, safety and affordability of Oakland's neighborhoods. Coordination of our internal efforts is essential to being effective. This can take many forms: from permitting events and new businesses, to aligning public safety, public works, and economic development investments to lift up neighborhoods and keep them safe, healthy and clean. This Strategy

recommends recognizing and formalizing several methods for departments to work together to advance shared projects.

The City also recognizes that economic development can only be advanced through active partnerships with the private sector, community benefit organizations, and other public agencies. Key partners include the Port of Oakland, the Chamber of Commerce, Visit Oakland, the Business Improvement Districts, the East Bay Economic Development Alliance, OUSD, the Peralta Community Colleges, Alameda County, Caltrans, and others.

Transparency – Increase community awareness and involvement, which are key to success

To ensure that community members understand, support, and have equitable access to City programs, services, and public investments in economic development, the City needs to be as transparent and inclusive as possible. This is true across all our economic programs, whether investing in real estate, choosing a career pathway, opening a business, or applying for an arts grant. Increasing transparency and streamlining processes creates a friendly and inclusive climate for business expansion and growth. Establishing clear performance goals and targets will also help communicate the impacts of our services.

III. 5-YEAR STRATEGIC GOALS AND INITIATIVES

The following chapter establishes goals for the City to prioritize and seek to achieve over the next five years, and to help it live by its core principles and values. These are formulated to help grow the economy in a more equitable and inclusive way, while coordinating and aligning resources to be responsive to evolving business needs, maximizing return on investment, and positioning the City to be more financially sustainable and accountable to the public. Based on input and feedback from targeted focus groups, engagement with city departments, elected leadership, and other community representatives, staff developed these goals, as well as action steps designed to achieve them. Collectively, the strategic goals and actions describe how the City can invest in its workforce, neighborhoods, and local businesses, while reducing barriers to economic participation and fostering a climate of social enterprise. Where staff encounters conflicting priorities, the principals and values expressed herein should help guide decision making.

Strategic Goals – Summary Level

1. Support the Growth, Diversity, and Resilience of Oakland's Key Industry Sectors with an Emphasis on Retention and Expansion of Existing Businesses
2. Promote Small, Local, and Beneficial Businesses
3. Expand Capacity and Market Share of Businesses Owned by People of Color
4. Make Interactions between City and Business Fast, Easy, and Predictable
5. Increase Job Readiness and Career Pathways for the Local Workforce
6. Increase Economic Security for Workers and their Families
7. Facilitate Catalytic Development and Revitalization Projects
8. Implement the City's Specific Plans
9. Integrate and Support City Activities that Strengthen Oakland's Economic Climate, including in Housing, Transportation and Public Safety
10. Recognize and Support Cultural Arts as an Economic Driver
11. Promote Oakland for Business Development, Investment, Trade, Arts, & Tourism & Communicate the City's Role in the Economy

Below is a suggested implementation detail for each of the above goals. This section essentially establishes a work plan for the EWD Department, since many actions are within the direct purview of its

divisions: business development, workforce development, public/private development, and cultural arts. However, success of these goals and initiatives on Oakland's business climate and workforce will require significant support of the City Administration, Planning and Building, Public Works, and other departments. A more detailed description of how City departments support economic growth and the City's current plans impacting economic development follows in Chapter IV. As implementation proceeds, we recognize markets and the economic environment will continue to change, as may the City's resources. Therefore, progress should be evaluated every 18 months based on stakeholder input, data metrics, and self-evaluation by department staff. Goals and actions may be adjusted accordingly.

Goals and Actions - Implementation Detail

1. Support the Growth, Diversity, and Resilience of Oakland's Key Industry Sectors with an Emphasis on Retention and Expansion of Existing Businesses

According to the Bay Area Economic Prosperity Strategy and Regional Economic Assessment, the majority of new job creation typically comes from expanding local companies, followed by new small business formation.⁵ Business development activities should be focused on business retention and expansion, followed by new business creation. The City should continue to assess the opportunities and challenges facing local businesses in its key sectors: **Health & Wellness, Clean & Green Tech, Manufacturing and Food Production, Arts, Retail, Tech, and Transportation & Logistics**. Most of Oakland's established key sectors have been local economic drivers for decades, giving both sustainability and resiliency to the local employment market as well as providing jobs at a variety of interests and skill levels. EWDD staff specialists track these sectors, develop supportive policies, and provide individualized business assistance. Each specialist has a working knowledge of the industry's market sector and engages in zoning and related regulatory processes to accommodate long-term sector growth. Specialists also identify infrastructure needs and seek cross-departmental support for local business development. Each sector has a unique growth strategy. Please see the description of the key sectors on pg. 33 for more information.

Actions:

1.1 Assess the specific growth opportunities and challenges for Oakland's key industry sectors, including employer outreach, land and infrastructure needs, expansion and local supplier and vendor opportunities, and sector strategy updates.

1.1.1 Review and Update the 2008 Retail Strategy and determine current priorities for implementation

⁵ http://planbayarea.org/pdf/prosperity/research/Economic_Prosperty_Strategy_print.pdf and The Bay Area: A Regional Economic Assessment. Bay Area Council Economic Institute. October 2012. Available at: www.bayareaeconomy.org/media/files/pdf/BAEconAssessment.pdf

- 1.1.2 Cultivate supplier and vendor companies and continue to invest in training healthcare workers to support Oakland's Health & Wellness anchors
 - 1.1.3 Support talent development initiatives and partnerships to increase the diversity of workers and entrepreneurs in the Tech sector
 - 1.1.4 Support the Infrastructure, land and expansion needs of the Manufacturing and Food Production Sector.
 - 1.1.5 Complete the Oakland Global Logistics Center to enhance the Transportation and Logistics sector (also see 7.1.1)
 - 1.1.6 Support the expansion of the Clean & Green sector in connection with City environmental goals and policies; increase green business certification and market the strength of this sector.
 - 1.1.7 Leverage partnerships to increase space, business, and development opportunities in the Arts. (also see 11.3)
 - 1.1.8 Consider assigning specialist staff to monitor the growth of the Cannabis sector.
- 1.2 Support business incubators and the formation and expansion of industry-specific associations.

Suggested Performance Measure: Employment growth by sector; sector diversity reporting

2. Promote Small, Local, and Beneficial Businesses

Finally, the City should explore the restitution of a business incentive program to help achieve its economic development goals. Previous incentive programs were directed toward attracting businesses who would bring 20 or more new jobs to Oakland. Based on the city's values and the current economic climate, a revised business incentive program could be targeted to supporting the growth of existing Oakland businesses, particularly those who help the City meet goals beyond job growth, such as employment for target populations (e.g. youth) or locating in an underserved neighborhood. The recommendations from the Small Business Task Force can inform this program.

Over the past few years' staff resources have been increasingly focused on providing more dedicated support to nonprofit organizations. Many of these organizations provide community and social benefits and career pathways, but also have their own unique challenges and displacement pressures.

Actions:

- 2.1 Evaluate Small Business Task Force Recommendations and consider an ongoing body to provide input on their unique needs and challenges, request and review relevant data, and provide recommendations to Staff and Council

- 2.2 Increase small business access to City Business Support Services, financial incentives and referrals to external business service organizations
- 2.3 Conduct geographic outreach for business services based on a similar model to International Boulevard corridor outreach for the Bus Rapid Transit project.
- 2.4 Establish a "Good for Oakland" program to recognize Oakland businesses that contribute to a more equitable economy.
- 2.5.1 Formalize a retention program to prevent displacement of nonprofits and small businesses assisting ___ of businesses and organizations to remain in Oakland

Suggested Performance Measures: Number of engaged, participating and retained businesses

3. Expand Capacity and Market Share of Businesses Owned by People of Color

More than half of all Oakland businesses are owned by people of color, but they currently receive less than half of available business loans. Business ownership is both a means to generate individual and community wealth. Special program outreach and attention should be targeted to support businesses owned by people of color.

Actions:

- 3.1 Target business support resources to underrepresented entrepreneurs, including access to capital, training, workshops, marketing and outreach
- 3.2 Encourage Oakland's largest firms to establish supplier/vendor relationships with local businesses owned by people of color

4. Make Interactions between City and Business Predictable, Fast, and Easy (and Reduce the Costs of Operating a Business in Oakland)

City services must meet the challenge of adjusting to a dynamic economy while remaining accountable to the public. Ensuring that the City is a great place to do business is critical to nurturing the expanding economy, and reducing barriers for local entrepreneurs to invest in their neighborhoods is critical for growing equitably. Permitting, licensing, and services should be digital, accessible and immediate to provide an enabling environment for creative entrepreneurs.

Actions:

- 4.1 Launch online multi-lingual, mobile-friendly business portal for licensing, city permits and business support
- 4.2 Review current policy and practices to identify opportunities to streamline processes and improve service delivery, including digital service delivery, for all business-government interfaces, including tax, zoning, and code enforcement

- 4.3 Reposition the one-stop Business Assistance Center to assist startups and address small business retention and expansion; explore best program & location format

5. Increase Job Readiness and Career Pathways for the Local Workforce

Access to talent is one of the most important services that the City of Oakland can offer to new and growing businesses. Strengthening the connection between businesses and local workforce development programs offers an opportunity to directly connect more Oaklanders to job growth happening across the City. To this end, residents must be able to easily tap into opportunities to learn and develop essential and relevant skills through high-quality, affordable employment and training programs that prepare them to successfully compete in the local and regional labor market. Concurrently, with federal funds allocated to Oakland for workforce development both shrinking and facing an unknown future, there is potentially an even larger role to be played by the public and nonprofit education and training providers operating within the City.

Concurrent with the development of this Economic Development Strategy, the City of Oakland Workforce Development Board (OWDB) has also been undergoing its own strategic planning process to plan out its work for the period from 2017-2021. The OWDB has organized this work into four (4) main areas of focus, including services and supports to businesses, services to adult job seekers and workers who need more intensive assistance with finding good jobs and careers, programs and services for low-income youth (especially young people who have dropped out of school or are otherwise not employed or attending school), and enhancing the connectivity of the broader workforce development ecosystem in the City of Oakland.

Actions:

- 5.1 Work with public, private, and nonprofit business and economic development entities to better facilitate and expedite access to a diverse and highly skilled local talent pool, and coordinate outreach, marketing and communication strategies
- 5.2 Use workforce incentives and tools to encourage Oakland-based businesses to hire more local residents
- 5.3 Assess, refine, and help implement services that address the workforce development and training needs of City Of Oakland residents, particularly in priority neighborhoods and communities
- 5.4 Make post-secondary education more accessible for Oakland students through support programs such as Oakland Promise, and support career pathway opportunities and programs in Oakland offered by adult education, community colleges, and other education/training partnerships
- 5.5 Coordinate efforts with major citywide and regional initiatives targeted toward the education and career development of students and youth

- 5.6 Strengthen and expand work-based learning opportunities for youth and young adults in Oakland, with particular emphasis on summer employment
- 5.7 Pursue strategies to more effectively leverage funding and other resources that support organizations providing services to young people in the City Of Oakland
- 5.8 Enhance the organizational capacity of the Oakland Workforce Development Board and staff to effectively serve the needs of businesses and residents.

Suggested Performance Measures: Training program placements

6. Increase Economic Security for Workers and their Families

The Resiliency Playbook states *“Oakland will enable all residents to be economically secure, build wealth, and achieve their full potential, regardless of race or means. Oakland seeks to build a model of responsible economic growth and business attraction, in concert with a commitment to building economic security, especially for those who have historically had limited access to opportunity.”*

To maximize this period of robust job growth in Oakland, the City should leverage its social service programs and partners to connect with the most disadvantaged community sectors with opportunities for entry-level employment, training, asset building and entrepreneurship. A successful example is the Kiva Zip program, which provides 0% interest loans to entrepreneurs who cannot otherwise qualify for a small business loan. Initiative 1 outlines how to further make economic development services more inclusive to help entrepreneurs of color gain equal footing in Oakland’s economy—one of the economic security goals of the Resiliency Playbook.

An increasing number of Oakland residents have employment that is not sufficient to bring them over the poverty line. The City should also identify other policy opportunities to support low-wage workers and those relying on insecure employment.

Programs and job opportunities to alleviate poverty are part of the City’s holistic approach to community safety. Supportive families and communities can help reduce crime and recidivism rates, but business connections and resources are also essential to help incarcerated individuals reenter society successfully. The City needs to ensure that re-entry and deterrent programs are supported with training and job opportunities and should encourage the removal of hiring barriers.

Actions:

- 6.1 Leverage Banking and Financial Empowerment programs to engage and support low income workers and identify asset-building opportunities
- 6.2 Reduce barriers to employment and support job placements
- 6.3 Encourage entrepreneurship through access to capital, technical assistance and education (See Action 3.1)

- 6.4 Expand the capacity and market share of businesses owned by worker cooperatives
- 6.5 Monitor affordability and benefit gaps
- 6.6 Explore gig economy interventions to move more workers to job security

Suggested Proposed Measure: City poverty rate and asset poverty rate

7. Facilitate Catalytic Development and Revitalization Projects

Despite the dissolution of Redevelopment, the City's former Redevelopment arm, currently called the Project Implementation division, continues to carry out a critical and unique city function of investing in catalytic projects in weak market neighborhoods. As staff complete the disposition (sale or lease) of land and development projects from the former Redevelopment pipeline, the pool of funds the City has to support its economic development goals through place-based investments decreases. Adding to the investment challenge, the former Redevelopment revenues are tied through bond measures to the geographies where they were generated. Thus, the return on our public investment in Downtown Oakland cannot be re-invested in other parts of Oakland. Under these conditions, the City cannot replicate the level of public investment that successfully reinvigorated the Downtown market in other neighborhoods.

The City should continue to investigate new funding sources and policy tools to spur economic development in neighborhoods. Unrestricted redevelopment revenues and additional resources should continue to fund "Redevelopment-type" activities, including land acquisition, buildings, tenant and façade improvements, and public infrastructure. These former redevelopment programs are currently limited but represent the best opportunity to directly impact struggling commercial areas. Directly funding catalytic projects is also the City's best way of controlling the outcome to serve its goals. The city must clearly communicate the equity-related impacts of its investments, including housing, employment and other community benefits as well as the social impact of recipient business.

Actions:

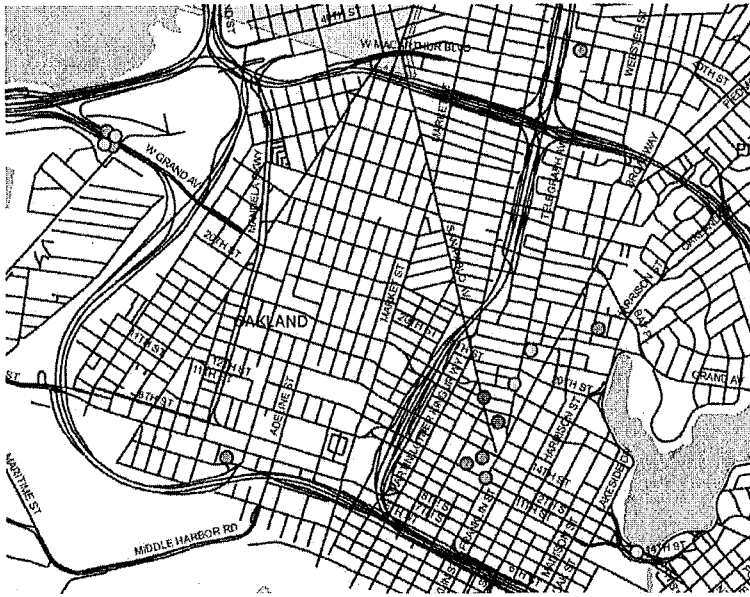
- 7.1 Continue the Key Projects of the former Redevelopment Agency through development partnerships on remaining City-controlled former Redevelopment land parcels.
 - 7.1.1 Complete the Oakland Army Base redevelopment into the Global Logistics Center (Transportation & Logistics)
 - 7.1.2 Select and negotiate with developer(s) to redevelop the Coliseum and surrounding sites, to accommodate one or more teams, add new infrastructure, new residential and commercial, and amenities

- 7.1.3 Complete nine approved Projects: 23rd & Valdez, City Center T5/6, Seminary Point, 500 Kirkham, 12th Street Remainder, City Center T-12, Coliseum Transit Village, MacArthur Transit Village, and 1100 Broadway.
- 7.1.4 Negotiate, approve and complete seven projects in process: 1911 Telegraph, 2100 Telegraph, 3050 International, Derby Street, Fruitvale Transit Village, 7001 Oakport, and the Kaiser Convention Center.
- 7.1.5 Issue requests for proposals, negotiate, and complete 12 additional projects: Oak Knoll, 1800 San Pablo, 66th & San Leandro, 27th & Foothill, 36th & Foothill, 10451 MacArthur, Clara & Edes, 73rd & International, 95th & International, 8280 & 8296 MacArthur, and the Rotunda Garage remainder parcel.
- 7.2 As a replacement for the loss of Redevelopment tax increment financing, consider reinvesting proceeds generated from successful leases and land sales and new public-private project revenues into new catalytic development projects, including site acquisition and façade and tenant improvements.
- 7.3 Explore a Small Business Incentive Pilot to offset permit fees for local, neighborhood-serving businesses in targeted underserved neighborhoods.
- 7.4 Complete a portfolio asset management plan for of all City-Owned Properties
- 7.5 Establish criteria and assess the social and equity impacts of the City's public-private property Investments.

Suggested Performance Measures: Tracking impacts of Neighborhood Investment real estate development (Expenditures, Revenues).

The following set of maps show the location and anticipated timing of City-owned parcels that will move forward for development over the next five years.

Map 1. City-Owned Former Redevelopment Properties Slated for Public-Private Development



Green = Development Disposition Agreement, LDDA, or OPA
 Yellow = Exclusive Negotiating Agreement
 Red = RFP

West Oakland/ Downtown

Central East Oakland



Deep East Oakland



City of Oakland, Economic & Workforce Development, Project Implementation Division

8. Implement Specific Plans

Collectively, the City's recently adopted Specific Plans propose a large-scale development program, listing hundreds of Implementation Actions that relate to the economic development goals. Implementing the plans at a neighborhood scale, including moving major projects forward, requires regular coordination across departments. This includes prioritizing areas to focus staff attention in response to shifting market demands and opportunities. Among the plan areas is the Coliseum Area, currently home to Oakland's sports teams, which will undergo significant changes in the next five years. Continuing the City's efforts to reposition the area for sustainable development that serves both the surrounding neighborhoods and the City as a whole is a top priority.

Actions:

- 8.1 Assess the status of each plan's implementation actions, prioritize and market opportunity sites to the development community, based on current market and community development goals.
- 8.2 Work with the Planning Department to support the implementation of a Downtown Specific Plan and Equitable Development Strategy for downtown and other Specific Plan areas.
- 8.3 Capitalize on the opportunity to reinvent the Coliseum Area as an economic driver with the inclusion of sports, entertainment, residential and commercial uses.

Suggested Performance Measures: Plan area developments and investments.

9. Integrate and Support City Activities that Strengthen Oakland's Economic Climate, including in Housing, Transportation and Public Safety

As Oakland rents rose faster last year than almost anywhere else in the nation, feedback from Strategy Focus Group participants was unanimously concerned with keeping Oakland's residents in Oakland and ensuring sufficient housing for the workforce. The work of the Planning and Housing Departments to protect tenants, create new opportunities for housing development and new resources for affordable housing is critical to Oakland's economy. The Economic & Workforce Development Department can contribute by identifying where City-owned land could potentially be made available for housing, or by acquiring and rehabilitating additional properties for housing. Given the lack of subsidies for workers earning between 80 and 120% of the Area Median Income (AMI), the City may want to consider how public-private partnership opportunities can contribute to expanding housing opportunities for Oaklanders in this range.

Another market intervention to address displacement and the housing shortage is to offer City-backed financial tools that help more residents to become homeowners and landlords. For example, the City's Residential Lending⁶ and Neighborhood Housing Revitalization Programs offer low-cost or 0% loans with deferred payments to low income owners to repair their properties and rent to low- and moderate-income households.

⁶ <http://www2.oaklandnet.com/government/o/hcd/s/HousingRepairRehabPrograms/index.htm>

Investment into our public streets not only improves access to jobs, housing and commercial areas, but can create vibrancy and stimulate localized economic development. Street improvements can help our businesses thrive, keep the local economy local and make sure the needs of daily life are within walking distance of every neighborhood. Transportation improvements that reduce pollution and counter obesity also help to improve residents' health.

The City is currently invested in pedestrian, bicycle, vehicle and transit accessibility programs including the free B shuttle that connects Downtown, Uptown, and Jack London Square. The B Shuttle, like all forms of transit, helps Oakland grow its job base by providing convenient access to offices from BART, Amtrak, the Ferry and AC Transit. Oakland's Transportation Strategic Plan includes a Complete Streets Corridors program. Delivering "Complete Streets" that value walkers, bicyclists, transit riders and drivers is also an opportunity to engage and support the local business district. Connected with the commercial corridor strategy is a longer-term spatial effort to create new public space and development opportunities by converting streets and right of way into public plazas and developable sites.

The current effort to organize and support businesses along International Boulevard during construction of the Bus Rapid Transit system is currently the City's largest program to engage and resource the business community along with a major transportation investment. The City's priority is to successfully complete this work, help the current businesses to survive construction and thrive after the opening of the new line.

While the City has made progress on reporting and responding to blight through the SeeClickFix app and increased fines, illegal garbage dumping has grown as a significant issue. A high percentage of business calls to the City are to address blight, graffiti, crime, and other negative impacts on the local business climate.

Action items:

- 9.1 Facilitate new private and nonprofit development, including 1200 below market rate and 3050 market rate homes
- 9.2 Acquire and rehab vacant and blighted properties into permanently affordable workforce housing; protect 5000 households from displacement
- 9.3 Continue to Implement the Housing Equity Roadmap and recommendations of the Housing Cabinet to support new or expanded policies to increase and maintain affordability.
- 9.4 Adopt amendments to the City's real estate disposition ordinance to add priorities for affordable housing and create more transparency and community input.
- 9.5 Encourage and incentivize more landlords to rent affordable space, by resourcing the Residential Lending Program and keeping regulations transparent and easy to follow.
- 9.6 Support Neighborhood Commercial Districts and healthy neighborhood planning

- 9.6.1 Engage and Organize businesses in Corridor Planning and design aligned with Complete Streets Implementation
 - 9.6.2 Activate and invest in public spaces
 - 9.6.3 Reduce street areas to create new development or public space use
 - 9.6.4 Invest in public art and public space programming
- 9.7 Coordinate among City departments to reduce blight and keep neighborhoods safe, clean and vibrant
- 9.7.1 Increase support of existing and promote new BID formations to expand the use of neighborhood ambassadors and maintain public spaces.
 - 9.7.2 Explore funding models to support neighborhood improvements and maintenance, such as Parking Benefit Districts.
 - 9.7.3 Improve communication to businesses regarding property maintenance in their immediate area and available resources.
 - 9.7.4 Support feasibility analysis and include security cameras, lighting and Crime Prevention Through Environmental Design implementation
 - 9.7.5 Create geographic focus areas and a financing toolbox to help businesses that are located in under-resourced neighborhoods find and restore spaces.
- 9.8 Work with the Department of Transportation to advance major area infrastructure improvements, such as International Boulevard, Coliseum Area, West Oakland, and regional congestion and goods movement projects.
- 9.9 Support holistic community safety through the creation of economic opportunities, neighborhood investment, and a safe working environment.

Suggested Performance Measures: Housing units preserved, created, number of completed Commercial corridor engagement and redesigns.

10. Recognize and Support Cultural Arts as an Economic Driver

Cultural Arts helped to elevate Oakland's profile as a destination city. Now it is time for the City to elevate its investment in the arts. For years, Oakland has offered unique programs to support the arts, including low-cost rental space at recreation centers, low cost artist housing at the Malonga Casquelord Center, and a Cultural Arts Funding program that awards nearly \$1million annually to local artists and arts organizations. In recent years, the City has added a percentage for public art program, hired a new Cultural Arts Manager, created a focused program around interventions to halt artist displacement, and entered into a development agreement for the rehabilitation of the vacant Henry J. Kaiser Convention Center as an affordable performing arts location for local organizations. The need to pull together these disparate programs and advance the arts has never been greater, which is why the launching of a Cultural Arts Planning process in 2017 is a top priority.

Action items:

- 10.1 Create a Cultural Arts Plan that addresses sector strategy, space needs and talent development

- 10.1.1 As part of the Cultural Arts Plan, consider reconstituting Oakland's Cultural Arts Commission, empowered to devise and implement arts-related policy, with appropriate staff support
- 10.2 Establish a partnership with foundations and other funding partners and community development organizations to acquire, lease, and maintain affordable arts spaces, including studios, galleries, and performance spaces, through strategies identified by the Mayor's Artist Housing and Workspace Task Force.
- 10.3 Complete and implement a redevelopment agreement that provides for reopening the Calvin Simmons Theater at the Henry J. Kaiser Convention Center and creates affordable rehearsal, studio, and performance space.
- 10.4 Invest in professional development opportunities and other support systems to strengthen artists and arts organizations
- 10.5 Increase Awareness of and access to the City's Cultural Funding Program

Suggested Performance Measure: Establishment of the above entities

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



“Oakland is the social, creative, and cultural incubator of California.”

-Visit Oakland Brand Statement

The national movement for a “New Economy” that is just, sustainable, and democratic finds strong expression in Oakland. Oakland’s marketplace and culture support creativity, social organizing and innovation, particularly innovation that comes from encounters between different segments of society. Many Oakland residents, investors and businesses innately understand this. Foundations, think tanks, and independent funds are individually investing in Oakland-based economic development programs in hopes of generating results that can be replicated on a national scale. To direct equitable investment in Oakland, we need to communicate our values and strengths to an external audience and to recent movers.

Action items:

- 12.1 Recruit marketing staff
- 12.2 Reorganize and reposition the City's economic development website to be more inviting and accessible, easier to navigate, and provide relevant information and tools for business startups

(permitting, licensing, technical assistance and other services), relocation inquiries, and potential investors

- 12.3 Collaborate with Visit Oakland to market hotels and convention center, neighborhood attractions, arts and culture
- 12.4 Develop a branding/marketing strategy to promote Oakland for business and highlight Oakland's unique economic climate, development activities and values.
- 12.5 Promote development opportunity sites to brokers, developers, investors and end-users
- 12.6 Promote and support social enterprises, co-ops, and innovative business models with a marketing campaign recognizing "Good for Oakland" businesses
- 12.7 Adopt and continually report economic performance metrics that support and tell Oakland's story

Suggested Performance Measure: Increased number of social enterprises and programs to support social enterprises; Number of KivaZip loan recipients

IV. ROLES AND RESPONSIBILITIES FOR ECONOMIC DEVELOPMENT

In the last decade, the City's neighborhood-scale Specific Plans have been our primary local growth and investment strategies. In the last two years, as Oakland entered a period of post-recession growth, three major Citywide strategies have also been adopted: Resiliency, Housing, and Transportation. Advancing a holistic view of community and economic development based on individual well-being and community stability, these three efforts have clearly articulated a set of combined goals: economic security, equity, housing preservation and development, and increased access to opportunity. These same themes are now being reflected in this Economic Development Strategy as well.

Successful implementation of the Strategy will require continued coordination with the City's other existing plans and strategies, as well as close collaboration with multiple departments. This section describes the major plans, projects and strategies related to economic development in Oakland, and discusses the roles and responsibilities of the different departments in contributing to economic development activities.

CHANGING ROLES AND RESPONSIBILITIES FOR ECONOMIC DEVELOPMENT IN OAKLAND

Historically, Oakland's Community & Economic Development Department (CEDA) coordinated all the City's activities around planning, housing, economic and workforce development, and public/private real estate development. In 2011, after the State of California dissolved redevelopment agencies throughout the state and the City lost property tax increment revenue as a significant funding tool for community investment, CEDA's functions were split into multiple departments.

The City's budget had already been significantly by the Great Recession. As a result of both of these changes, the City no longer has the funding sources for core economic development programs such as façade grants, and has much less funding available for many initiatives that contribute to economic development including public realm improvements, infrastructure investments, and affordable housing.

City Plans and Strategies Affecting Economic Development

This strategy builds on the many economic and workforce development strategies, area plans, and other planning documents that the City of Oakland has prepared in recent years. Documents reviewed in preparation for this Strategy are listed below, and described in more detail in Appendix B.

Current Efforts

- City Resiliency Strategy (adopted)
- Housing Equity Roadmap & Housing Cabinet (adopted)
- Transportation Strategic Plan (adopted)
- Downtown Specific Plan (In Progress)

Adopted Area Plans

- West Oakland Specific Plan
- Broadway Valdez District Specific Plan
- Lake Merritt Station Area Specific Plan
- Central Estuary Area Specific Plan
- Coliseum Area ("Coliseum City") Specific Plan
- International Boulevard TOD Plan

Other Plans

- General Plan Land Use and Transportation Element
- Long-Range Property Management Plan
- Climate Action Plan
- Economic and Workforce Development Department, Business Development Cluster Analysis (2013)

Workforce Strategies

- Workforce Investment Board Strategic Plan 2013-2017 (2013, update in Progress)

Major Projects Underway

- Global Trade & Logistics Center
- International Boulevard Bus Rapid Transit
- Brooklyn Basin
- Oak Knoll

Meanwhile, in 2014 the federal government passed a new Workforce Innovation and Opportunity Act (WIOA), replacing the Workforce Investment Act (WIA) that had governed federally-funded employment and training programs and services in Oakland since 1998. WIOA requires that Oakland revisit its workforce training system in order to better align the workforce system with opportunities in specific employment sectors, and includes reforms to improve local one-stop job centers. WIOA also promotes regional collaboration by requiring local Workforce Investment Boards to coordinate their efforts to meet the needs of regional employers. Under WIOA, the four regional Workforce Investment Boards (Oakland, Richmond, Alameda County, and Contra Costa County) and City Council will have to agree on a joint regional strategy by July 1, 2017.

At the same time, the City created a number of Specific Plans that included streamlined entitlements for new development as well as a number of economic development related goals. These plans and other economic development related efforts are summarized below and in Appendix B. A key finding from this document review was that previous work emphasized improving internal processes and coordination but fell short of a framework for specific economic development initiatives, and also required further outreach to stakeholders. If implemented as planned, the Specific Plans will accommodate more than three-quarters of the City's future projected job growth.

The remainder of this section describes the specific roles and responsibilities of City departments in advancing economic development in Oakland, given these recent changes to the City's administrative structure.

Economic and Workforce Development Department

Preparation of this Strategy was led by EWDD, under direction from the City Administrator's Office. EWDD retains a pivotal role within the City for creating an environment that promotes the retention, expansion and attraction of businesses, enhancing Oakland's workforce opportunities, and negotiating and implementing catalyst development projects. EWDD is organized into six divisions, all of which work together to create a business-friendly environment and enhance inclusive opportunities for the City's workforce. In general, the department's roles include:

- Supporting and growing existing businesses and jobs.
- Attracting new businesses and guiding business site selection.
- Assisting job seekers in gaining employment, and connecting businesses with a qualified workforce.
- Strengthening the city's revenue base.
- Attracting catalytic real estate investment.
- Marketing the City to attract investment, businesses, tourism, and new residents.
- Enhancing quality of life for Oakland residents and workers by providing places to shop, eat and drink, and be entertained.
- Communicating and coordinating with other departments and agencies in order to remove barriers to economic development and ensure that housing, transportation, land use planning, permitting, and other activities are aligned to support and enable economic development priorities.

The EWDD divisions that will play a key role in implementation of this Strategy are as follows:

- **Business Development (Retention, Expansion, and Attraction):** Sets overall development strategy for Oakland's key sectors and assists businesses in those industries in selecting sites, accessing business development resources and City incentive programs, communicating with City staff and officials, and navigating the City permitting process. The division is organized by industry, and staffed by specialists with expertise in each industry including arts, health, food production and distribution, green business, industrial, international trade and logistics, tech, and retail. In addition to sector specialists, the Business Assistance Center serves a broader community as a one-stop information and referral center for businesses in Oakland, including assistance with hiring, business education, permitting, and State Tax credit programs. A district organizing specialist provides technical assistance for merchants and property owners to establish Business Improvement Districts (BIDs) in neighborhood commercial areas. The Business Development team also administers additional programs including: Kiva Zip and the Recycling Market Development Zone (RMDZ).
- **Workforce Development:** The Workforce Development division oversees federally-funded employment and training programs and services in Oakland, and reports to the Workforce Investment Board, a coalition of local business and training representatives.

Changes in Workforce Development law are shifting workforce training efforts to a more sector-driven approach. Examples include Design It Built It Ship It and TechHire.) This presents additional opportunities to leverage the sector-based relationships of the Business Development division.

This Strategy aims to continue building linkages within EWDD and across departments, in order to continue to align the City's efforts to encourage job growth and expansion. Oakland's business development efforts will focus on supporting and expanding the City's small business entrepreneurs and other existing businesses, and on providing workers with pathways to high-quality, well-paying jobs. These sectors have infrastructure, land use and building or other permit needs that merit engagement from other departments.

- **Office of Neighborhood Investment (formerly Project Implementation):** Manages City-owned properties, including acquisition, disposition, and asset management, and works to attract catalytic real estate development to Oakland. The Oakland Redevelopment Successor Agency is housed within the Project Implementation Division. This division also funds public facilities and streetscape improvements, often including essential design documents needed to access transportation grants.
- **Cultural Arts and Marketing:** Includes the Public Art program and the City's Cultural Funding program, one of only two city programs in the nation that directly funds artists and arts programs. This division also provides special events coordination and marketing. When fully staffed, the division produces marketing tools to attract and develop businesses and revitalize Oakland's neighborhoods. The Marketing position is currently vacant.

Other City Departments

While EWDD leads the City's economic development activities, many other City departments and agencies also play a role in achieving the City's economic development goals. This economic development strategy emphasizes coordinating and aligning resources with these departments to maximize the return on limited City investments. Some of the departments that play a role in economic development include:

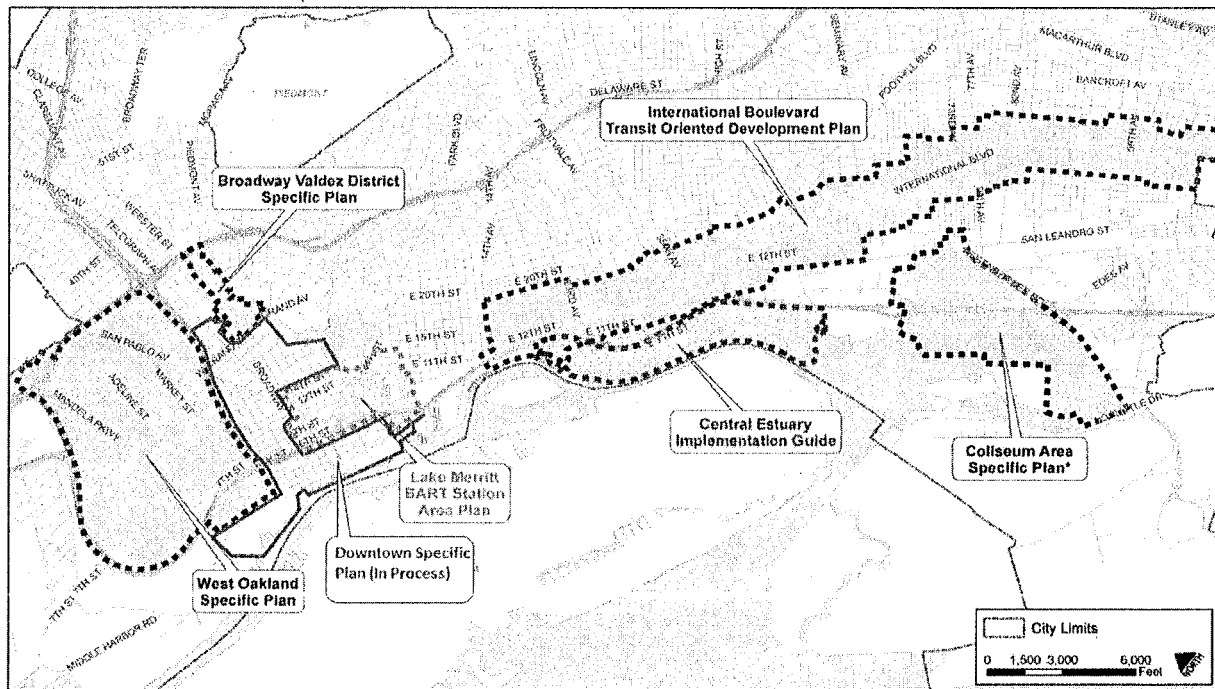
- **Oakland's Mayor** provides the leadership and vision that guide all departmental activities. According to the Oakland City Charter, one of the Mayor's key responsibilities is to "actively promote economic development to broaden and strengthen the commercial and employment base of the City."
- The **City Administrator's Office (CAO)** is responsible for the day-to-day operations of City agencies and departments. The CAO coordinates inter-departmental activities around economic development and other activities.
- The **Planning and Building Department** promotes sustainable development through land use planning, development review, permitting, and code enforcement. The Planning and Building Department improves the physical and economic environments of Oakland through sustainable development that embraces three core principles: healthy environment, economy, and equity. The Planning department has developed six specific plans guiding land use and proposed investment in major Oakland areas (see below). Zoning permissions have an enormous impact on the viability of developing and longstanding business clusters.
- The **Department of Housing & Community Development** manages federal grant programs for housing programs, develops housing policy and information, and administers the City's Rent Arbitration Ordinance. By ensuring that Oakland residents have access to safe, affordable housing, the department supports a diverse workforce and helps improve the City's neighborhoods.
- The **Department of Public Works** plans, builds and maintains Oakland's physical and environmental infrastructure, the critical backbone of the City's economy.
- The **Oakland Police Department's** mission is to provide the people of Oakland with an environment where they can live, work, play, and thrive free from crime and the fear of crime. A safe, welcoming environment will help the City attract and retain businesses and residents. Police permit special events and connect with job training and other deterrent programs.
- The City has created a new **Race and Equity Department**. The Department of Race and Equity identifies and addresses institutional racism, which occurs when organizational programs, policies, procedures or practices create inequity along racial lines. Race & Equity reviews policies to support equitable outcomes, which often require correcting for unequal race-based policies of the past.

EXISTING PLANS AND STRATEGIES

The City's last formal economic development strategy was adopted in 1997. In the interim, civic organizations have published several strategies either independently or in partnership with the City. These include strategies published by the Oakland Metropolitan Chamber of Commerce and the Oakland Partnership (a collaboration of the City and the Chamber). While Oakland has not had a formal overarching economic development strategy for 20 years, the City's workforce development efforts are guided by the 2013-2017 Oakland Workforce Investment Board (WIB) Strategic Plan. The WIB Strategic Plan organizes the work of Oakland's Workforce Development division, a division of the City's Economic and Workforce Development Department that oversees federally-funded employment and training programs. Among other priorities, the 2013-2017 WIB Strategic Plan emphasizes creating a more direct link between workforce training and the City's other economic development efforts.

In recent years, the City's focus has shifted to implementing specific plans that set a community vision for development in targeted neighborhoods. In 2014 the City adopted the West Oakland, Broadway/Valdez, Lake Merritt, and Coliseum Area Specific Plans, joining the Central Estuary Plan, which was adopted in 2013. International Boulevard has also emerged as a priority for implementing transit-oriented development around the proposed bus rapid transit (BRT) stations. The City is currently in the process of drafting a Downtown Specific Plan and an equitable Development Strategy to guide Implementation of Specific Plans. Building out the plans has the potential to facilitate significant economic growth in distinct city neighborhoods. In total, the West Oakland, the Broadway Valdez, Lake Merritt, and Coliseum Specific Plan areas⁷ are projected to accommodate more than 50,000 new jobs over the time horizon of the plans, or more than 75 percent of the approximately 65,000 net new jobs projected for the City of Oakland between 2015 and 2040.⁸ Several of the plans also include an explicit focus on providing improved access to jobs and services, as well as addressing blight, crime, safety concerns, basic infrastructure needs.

Map 2. Oakland's Specific Plan Areas



CITY OF OAKLAND
Current Planning Efforts

The City's Workforce Strategic Plan guides division staff in aligning Federal funding for job training with local community needs and economic opportunities. It emphasizes the following pathways:⁹

- OUSD currently offers 25 Career Pathway programs across all high schools; each program connects to one of 11 industry sectors

⁷ The Central Estuary specific plan does not include employment projections.

⁸ Association of Bay Area Governments, 2013.

⁹ To update with new Workforce Strategic Plan (in draft)

- Linked Learning, an educational approach designed to create partnerships between school districts and local industry leaders in a wide range of fields.
- Community Colleges: Peralta Community College District has almost 50 occupational training programs, including in all of the key sectors
- Job Training Programs, including the ATLAS Program for Transportation, Distribution and Logistics (TDL), a Healthcare Sector Initiative, construction pre-apprenticeship training programs through the Cypress Mandela Training Center, and the Design It Build It Ship It program for manufacturing. Oakland-based programs will also be seeking funds in 2016 through the Federal Tech Hire initiative to accelerate job training for tech workers through coding academies and other non-traditional pathways.

Employers, particularly those in high-growth/high-demand sectors, are critical partners in an effective workforce system. Integration of employer input is essential at all levels of the system to ensure that training, education and job preparation results in job placements for job seekers and to support a vibrant economy in Oakland. Importantly, Oakland also offers opportunities for training in entrepreneurship and participation in small business incubators. Therefore, City efforts to support small business creation and to support the development of robust workforce training programs are both complementary strategies to provide diverse pathways for residents without four-year college degrees.

In 2014-2016, the City took a comprehensive look at the way interrelated departments respond to challenges through the **Resilient Oakland Handbook**. The Resiliency model is a more holistic view of community development that positions the Economic and Workforce Development Department within a larger context. Economic Development's role within the Resiliency framework consists of fostering prosperity, ensuring social stability, security and justice, and promoting social cohesion. Oakland's Resiliency Task Force and Steering Committee picked equity-driven economic development as one of the City's top resiliency priorities and identified a set of actions which appear here under Goal 4, "Increase Economic Security."

Planning for Resiliency

In 2013, the Rockefeller Foundation selected Oakland from among nearly 400 applicants to be part of the 100 Resilient Cities Network, a program that aims to help cities become more resilient to the physical, social, and economic challenges of the 21st century. As part of the program, the City received funding to hire a Chief Resiliency Officer and develop a resiliency plan that will enable the community to thrive in the face of earthquakes, climate change, and other disasters, including economic shocks and stresses, and to address social equity and economic development concerns. Creating a resilient community is a cross-cutting effort that requires collaboration among multiple City departments and with external partners. The City of Oakland adopted its Resiliency Handbook in 2016 and continues to move its actions forward.

The City's Transportation Strategic Plan identifies how to invest one of the City's largest funding streams—our public infrastructure dollars—in an equitable way that increases access to economic opportunity. Finally, the City's current efforts to increase housing affordability must also be recognized as critical to our future economic development. These include the Mayor's Housing Cabinet and the Housing Equity Roadmap, which identified six city policies to produce thousands of new affordable, market-rate, and rehabilitated housing units.

External Partners

Oakland benefits from strong external partners that are focused on ensuring the City's economic success. These include the Oakland Metropolitan Chamber of Commerce, the Oakland African American Chamber, the Chinatown Chamber of Commerce, and the countywide Hispanic Chamber of Commerce, as well as other industry and business networks. A wide range of non-profit business service organizations offer technical assistance to Oakland's small businesses and provide workforce training to the City's residents. In addition, ten commercial districts throughout the City have formed business improvements districts (BIDs) and community benefits districts (CBDs) that provide marketing, cleaning and beautification, security, and other local services.

While this economic development strategy is focused on specific actions and initiatives that the City will take in order to achieve its economic development goals, close collaboration with external partners will leverage and extend the city's efforts.

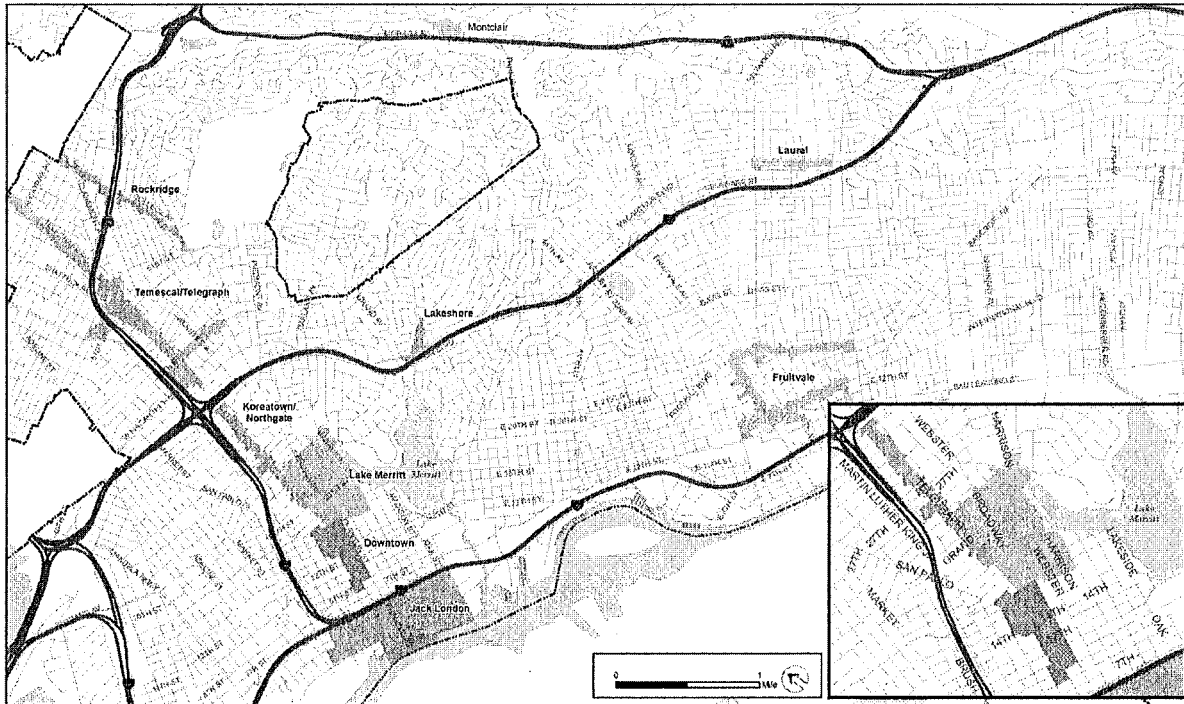
Oakland's Business Service Organizations

- Alliance for Community Development
- Alameda County Small Business Development Center (AC SBDC)
- Anew America
- Centro Community Partners
- East Bay Economic Development Alliance
- The English Center
- The Greenlining Institute
- Hack the Hood
- Hope Collaborative
- Inner City Advisors/Fund Good Jobs
- Kiva.org
- KRA
- Local Incubators, Accelerators and co-working facilities
- Main Street Launch (formerly OBDC)
- Northern California Community Loan Fund
- Northern California Minority Development Center
- Oakland Digital Literacy Center
- Oakland Export Center
- Oakland Grown
- Oakland African American Chamber
- Oakland Chinatown Chamber
- Oakland Metropolitan Chamber of Commerce
- Oakland Hispanic Chamber
- Oakland Vietnamese Chamber
- OCCUR
- Operation Hope
- Opportunity Fund
- Popuphood, Inc.
- Project Equity
- Renaissance Center
- SCORE
- Small Business Administration (SBA)
- Sustainable Business Alliance
- Working Solutions

Business Improvement Districts

Oakland has ten local Business Improvement Districts (BIDs) that raise revenue directly from local businesses for local improvements and marketing. In 2015, the City also passed a three-year Tourism BID that uses a fee on hotel rooms to pay for marketing.

Map 3. Oakland's Current Business Improvement Districts



Planning and Building Department
January 2015



Business Improvement Districts

BIDs extend the City's ability to service businesses by providing commercial corridor maintenance, improvements, and staff, as well as assisting with attraction and site opportunity marketing.

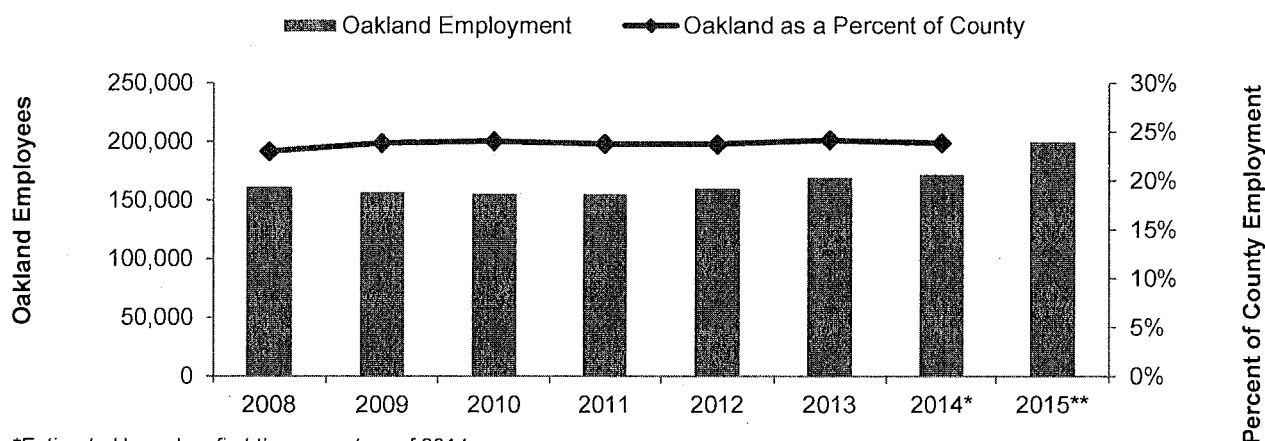
V. CURRENT ECONOMIC CONDITIONS

The Economic Development Strategy reflects and responds to current economic conditions in Oakland. This chapter describes industry and real estate trends that are currently driving economic change, and the ways that Oakland residents are participating in – or not participating in – the City’s economic growth. The discussion below is intended to provide a baseline assessment of economic conditions; given the dynamism of the economy, the Strategy should be revisited regularly in response to changing conditions.

Employment Growth and Trends by Sector

Oakland’s economy has recovered strongly from the recession of the late 2000s. Between 2010 and mid-2015, the City added more than 44,000 new jobs, bringing total employment up to 199,900 – approximately 24 percent higher than the pre-recession peak in 2008 (Figure 2). The City accounts for approximately a quarter of the jobs in Alameda County, a share that has remained stable since 2008.

Figure 2. Oakland Employment, 2008-2015



*Estimated based on first three quarters of 2014.

**Based on September 2015. County data were not available for 2015 at the time of this analysis.

Source: California Employment Development Department, 2015; Beacon Economics, 2015; City of Oakland, 2015; Strategic

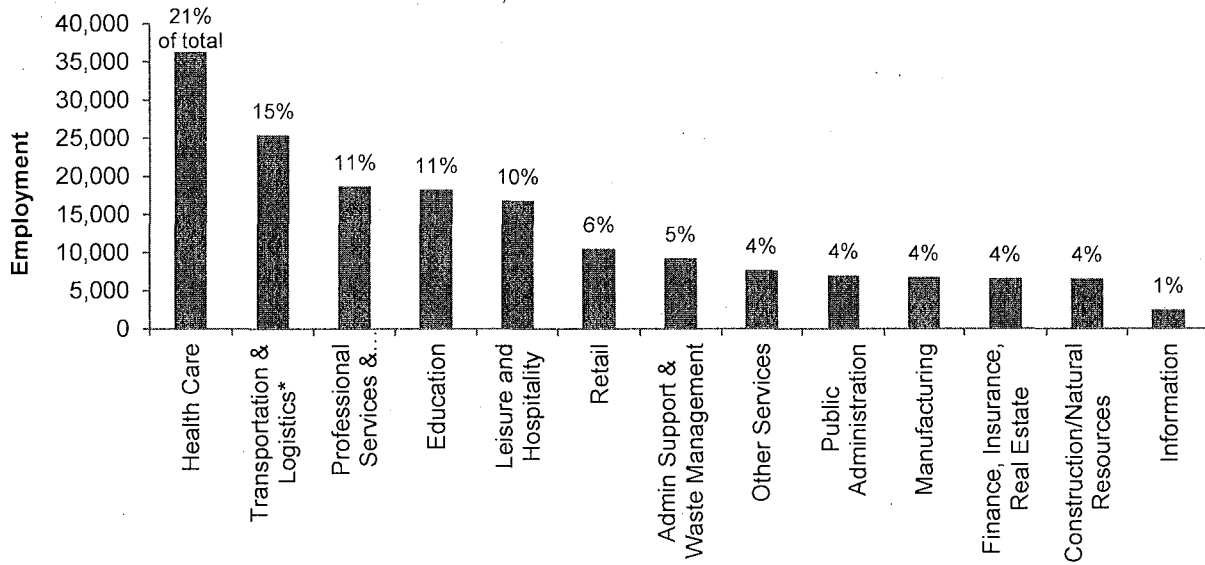
Oakland’s economy has both dynamism and stability, characterized by both large, legacy institutions, many of whom have been in operation in the city for decades, and small businesses that can be either local-serving or global in reach. As of the third quarter of 2014, 92 percent of Oakland businesses had fewer than 20 employees, while 87 percent of businesses had fewer than 10 employees.

While national economic shifts are having an impact in Oakland, including the rise of on-demand work and an increase in service jobs as well as sustainability industries, Oakland’s economy continues to be driven by many of the same employment sectors and industry clusters that have dominated the City’s employment base for a hundred years.

As shown in Figure 3, health care is the City’s largest sector, followed by transportation and logistics, professional services and management, education, and leisure and hospitality. Health care and

transportation and logistics, in particular, have been among Oakland’s largest sectors for many years. In both sectors, Oakland accounts for approximately 40 percent of all jobs in Alameda County. Oakland also has a high share of countywide employment in education (approximately 60 percent), Other Services (30 percent), and Finance, Insurance, and Real Estate (27 percent). Leisure, hospitality, and retail employment has grown significantly in the past five years, as reflected in national attention on the still-rising food and arts scene.

Figure 4. Oakland Employment by Sector, 2014

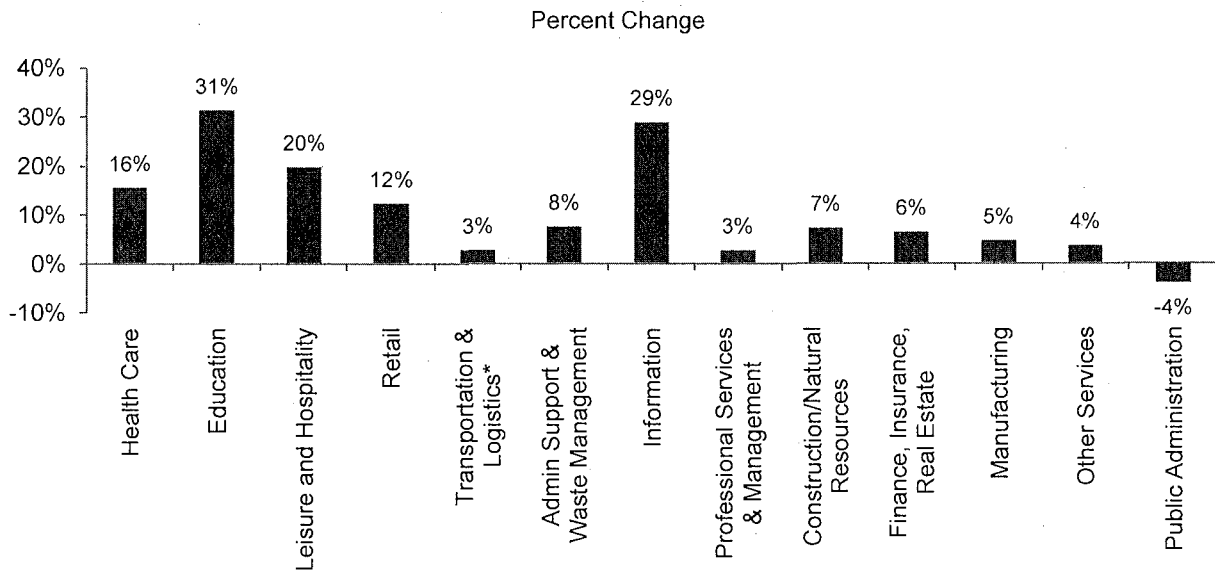


*Includes transportation, warehousing, wholesale, and utilities.

2014 employment estimated based on first three quarters (most recent data available at time of analysis).

Source: California Employment Development Department, 2014; Beacon Economics, 2015; City of Oakland, 2015; Strategic Economics, 2015.

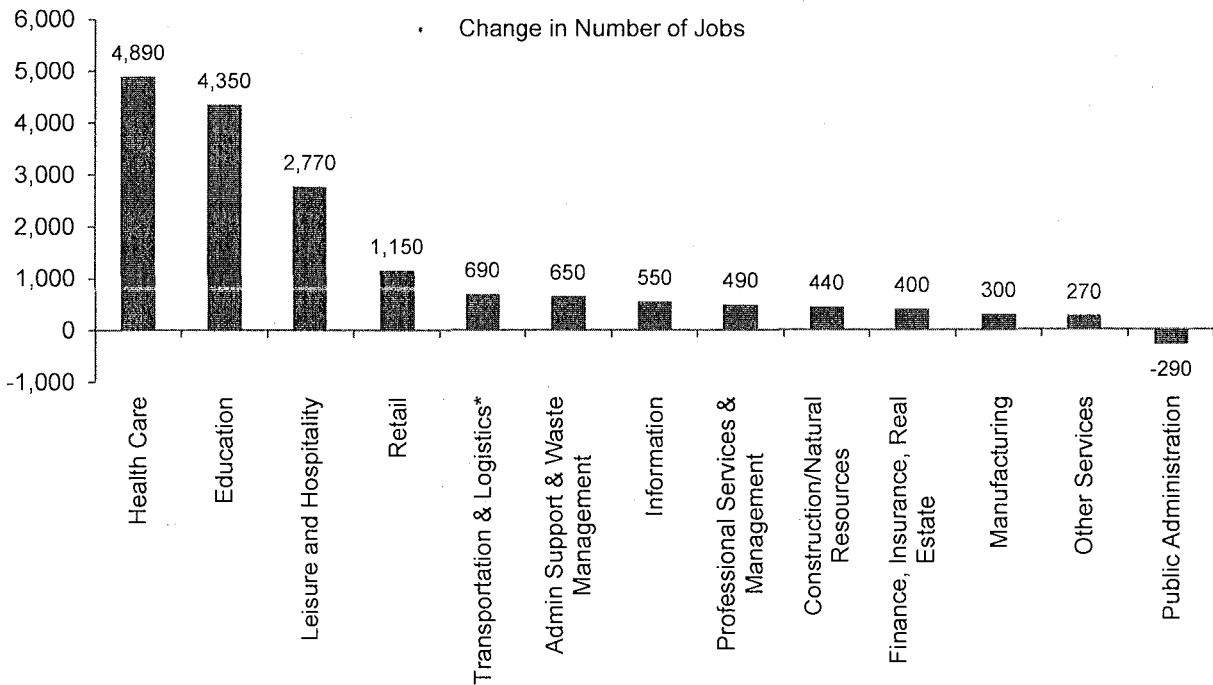
Figure 5. Change in Employment by Sector, 2010-2014



*Includes transportation, warehousing, wholesale, and utilities.

2014 employment estimated based on first three quarters of the year.

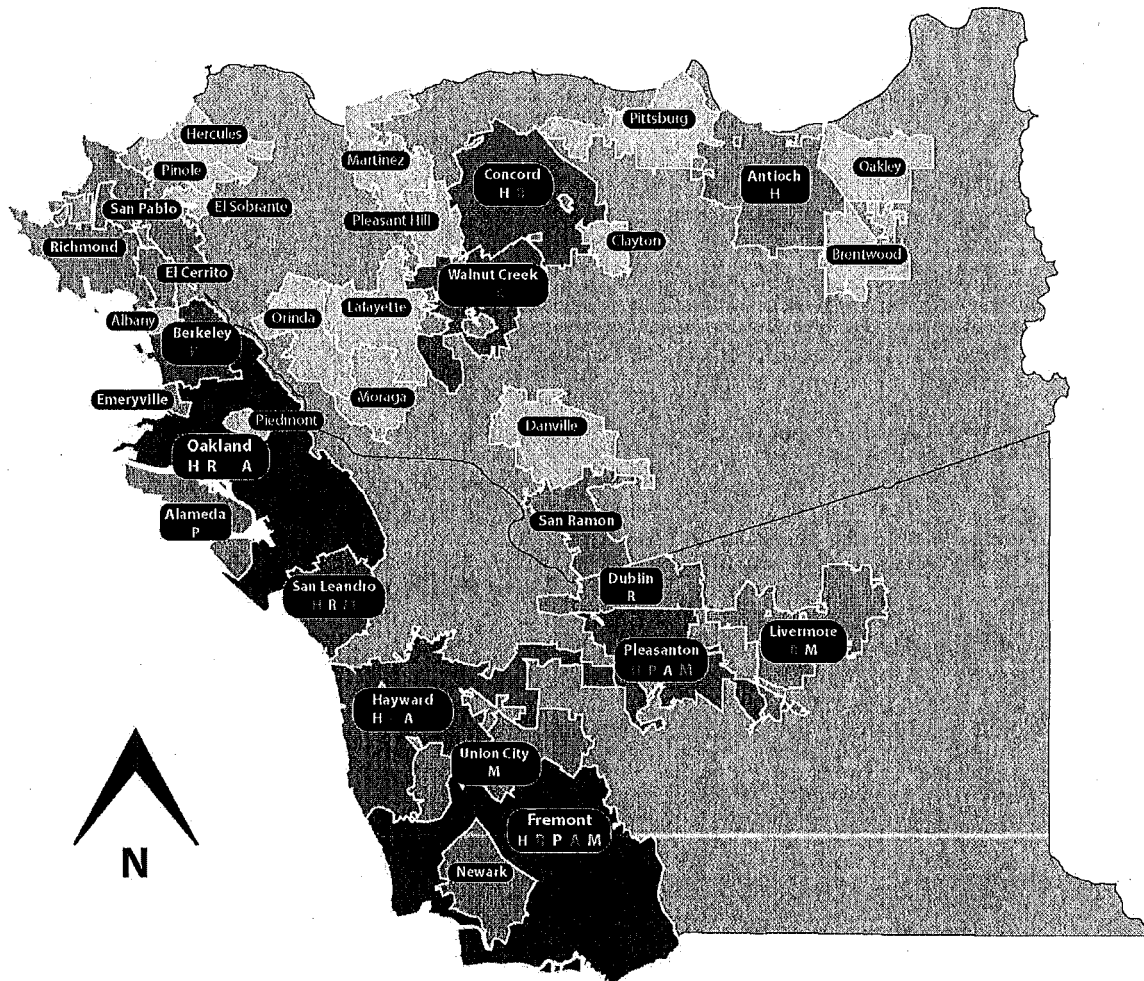
Source: California Employment Development Department, 2014; Beacon Economics, 2015; City of Oakland, 2015; Strategic Economics, 2015.



Map 3: Projected East Bay Job Growth

Map 3 is a projection of job growth in five significant East Bay sectors. Oakland is expected to lead the East Bay in Healthcare and Accommodation and Food Service job growth, and also add jobs in both the Retail and Professional/Scientific/Technical industry sectors.

East Bay Job Growth through 2021 by city



Total Job Growth by City through 2021	Industries with largest Job Growth through 2021	City Ranking by largest Growth within Industry
4,001 and over	H Healthcare 19,990	First
2,501 - 4,000	A Accommodation and Food Services 7,201	Second
1,001 - 2,500	P Professional, Scientific and Technical 6,061	Third
1,000 or less	R Retail 3,041	Fourth
	M Manufacturing 1,604	Fifth

Economic Modeling (EMSI)

Source: East Bay Economic Development Association, EMSI Forecasting model

Key Sectors in Oakland

All of the economic development strategies developed by the City and external partners since the late 1990s have identified a similar set of industry clusters that drive Oakland's economy. This consistent sector focus has served the City well through the economic resilience created by sector diversity and the provision of a wide range of jobs for a population with varying education levels.

While the City's key sectors have remained relatively stable over time, the dynamics within them have evolved. In order to assist businesses in navigating a dynamic economy, the Business Development Division of the Economic and Workforce Development employs specialists to focus in each sector.

Oakland's key sectors include:

- **Health and Wellness:** Health and Wellness is Oakland's largest and fastest growing sector. Oakland is rich in nationally-recognized health care centers, educational institutions, and public agencies, many of which have a long history in the City. Major health care employers include Kaiser Permanente (including both Kaiser's regional headquarters and Oakland Medical Center), the Alta Bates Summit Medical Center, UCSF Benioff Children's Hospital Oakland, and the Alameda Health System (which includes Highland Hospital), all of which have made significant investments in new or improved facilities in recent years. These health care centers are supported by many medical offices. Major research institutions include the Children's Hospital Oakland Research Institute (pediatric health research) and the California Health Care Foundation (health care policy research), as well as the recently relocated California Institute for Regenerative Medicine, which previously anchored the growth of life sciences and biotech cluster in San Francisco's Mission Bay. Rainin Instruments, one of the City's larger manufacturers, supplies life sciences equipment. Oakland also has a strong sub-cluster of alternative medicine and wellness practitioners and facilities. This sector includes home health care services, community care facilities, medical and diagnostic labs, outpatient care, and ambulatory services.
- **Green/Clean Tech:** This cluster includes firms that specialize in energy, water, or material efficiency, renewable energy, green building products and services, and recycling. Oakland has approximately 3,000 jobs in this sector, and in last few years several major green/clean firms have moved to or opened in the City, including Build it Green, Borrego, Renewable Funding, and Mosaic. Beyond this cluster of firms that offer a specific green products or services, Oakland also has over 150 Certified Green

Defining Terms: Industry Clusters and Employment Sectors

Industry clusters are local concentrations of related firms and organizations, including export-oriented businesses and their suppliers and service providers, as well as educational institutions and other agencies that provide specialized training, education, and support.

Clusters often include industries from across multiple **employment sectors**, the broad categories (such as health care, transportation and logistics, professional services, etc.) that are typically used to track employment change over time.

"The new commercial and residential development on Broadway as a result of the City's planning efforts has been hugely beneficial for Sutter Hospital."

—Chuck Prosper, CEO, Sutter Health

"The Green Economy is not just blue collar, it's white collar. There are software, finance, white collar jobs. There are more solar employees in CA than there are actors." —Danny Kennedy, Co-Founder, Powerhouse.

Businesses that meet or exceed green operations standards. The City is consistently rated among the top five to ten greenest cities in the country. This sector is uniquely impacted to city, state, and federal policies, such as Oakland's Climate Action Plan, that seek to increase the use of clean energy.

- **International Trade & Logistics:** Oakland's strategic location at the center of the Bay Area and its extensive transportation infrastructure – including a major international airport and port and excellent freeway access – combine to make Oakland globally competitive for international trade and logistics firms. Oakland International Airport is one of the region's three major passenger airports, and the region's largest cargo airport by volume.¹⁰ Several of the City's largest employers, including Southwest Airlines and FedEx, are headquartered at the airport (Figure 7). Meanwhile, 99 percent of the containerized goods imported or exported from the region travel through the Port of Oakland, and traffic at the port has been rising significantly.¹¹ In 2014, the total value of exports shipped through the port was 4.6 percent higher than in 2013, and 40 percent higher than in 2009.¹² Other major employers in this cluster include UPS, Matson, Inc. (a shipping and logistics firm that also manages the city's Free Trade Zone), PCC Logistics, Dreisbach (warehouse and logistics), and Navis (cargo tracking and terminal operations).

"Oakland is being transformed into a world-class intermodal hub and an international gateway for transporting goods by seaport, railroad, and roadway." -- Oakland Global

- **Manufacturing:** California is the biggest manufacturing state in US and manufacturing is a mainstay of Oakland's economy, stretching in a belt from the Oakland International Airport to the Port of Oakland and on to the border of Emeryville, via Mandela Parkway. Covering more than 5,000 acres of strategically located real estate, the area contains more than 24 million square feet of manufacturing, warehouse and distribution facilities. Oakland's strengths are in Food & Beverage Manufacturing, Electrical Equipment, Appliance and Components, Primary Metals, Paper including Printing, Fabricated Metals, and Furniture and other Related Products. Oakland is also a national leader in the "Maker" movement, advancing the presence of Advanced Manufacturing including R&D, Engineering and Prototyping of new products, and new electrical applications including Lighting applications and other components, Textile & Garment Design and Industrial Arts invention. The Port of Oakland is a large exporter and crucial outlet for food exported from Central Valley. At the Airport just-in-time shipment/delivery is growing since 2008. The City of Oakland encourages economic growth in selected industrial areas through its Industrial District Strategy, which includes two public infrastructure assessment and recommendations reports (East Oakland and West Oakland). The City of Oakland encourages economic growth in selected industrial areas through its Industrial District Strategy, which includes two public infrastructure assessment and recommendations reports (East Oakland and West Oakland) that establish priorities for upgrading streets, lighting, and other existing infrastructure.¹³

- **Food and Beverage Production:** Oakland is enjoying a nationally recognized food renaissance, in areas

"Oakland is becoming this epicenter of dynamite food innovation and local entrepreneurship and people are flocking over here from restaurant chefs to the small artisan producers." -- Harvinder Singh, Local Forager from Whole Foods

[/www.mckinsey.com/insights/organization/why_diversity_matters](http://www.mckinsey.com/insights/organization/why_diversity_matters) and," *The Urbanist*, SPUR, June 2015.

¹¹ Ibid.

¹² East Bay EDA, *East Bay Economic Outlook*, 2015-16.

¹³ Full reports

<http://www2.oaklandnet.com/government/o/CityAdministration/d/EconomicDevelopment/s/WFD/DOWD008137>

ranging from food service (restaurant, cafes, catering) to processing, production, cold storage, and distribution. The City's Food & Beverage Sector earned over \$1 billion in gross sales in 2014. In addition to longstanding businesses such as Peerless Coffee, Mr. Espresso, Veronica Foods, East Bay Restaurant Supply, Numi Tea, and California Cereal Products, Oakland is home to emerging food producers such as Hodo Soy, Kaia Foods, Ocho Candy, Nona Lim, Core Foods, Kuli Kuli, Linden Street Brewery, Voila Juice, Premier Organics, and Revolution Foods. The City is also home to legendary beverage companies Urban Legend Cellars, Dashe, and JC Cellars wineries, Linden Beer, Ale Industries, and House of Kombucha. As these and other food production companies have continued to grow, the limited availability of industrial space in Oakland – particularly for small storage and manufacturing space – is becoming a challenge.

- **Retail**

Oakland is a dynamic shopping environment. It features hundreds of locally-owned specialty and food shops, over 50 regional and national retailers, and an unprecedented number of nationally recognized innovative chef-driven restaurants. Market concepts are very popular, and the City has multiple food halls and farmers markets in addition to shopping centers. The City has prioritized retail development opportunities in transit oriented corridors, including Downtown Oakland to complement arts and entertainment clusters, as well as at key City-owned properties and at large scale sites. Much new retail has located in Oakland in the last few years, but substantial retail leasing and development opportunity remains, particularly in the general merchandising category. West and East Oakland have great opportunities for supermarket retailing.

Arts: While the Arts have been a key cluster for many years, this sector has taken on strategic importance in recent years and has also evolved to include the nationally-recognized Maker Movement. Oakland's arts and creative media community also includes digital arts, music and sound engineering, film production, design, commercial art, fine art, architecture, entertainment, and advertising. The monthly Art Murmur First Friday event has helped support a growing number of art galleries and draw attention to Oakland's creative economy, which has in turn attracted new investment, especially in Uptown. Oakland ranks 17th the country for total number of artists and designers, and 23rd in the country for the number of artists as a percent of the workforce.¹⁴ Examples of companies in this cluster include dancers and fine artists, Fathom (3D printing sales and manufacturing), Magnolia Editions (fine art print studio), Integral Group (formerly Rumsey Engineers), and Gensler (architecture and design). The emerging "Oakland Makers" movement is centered around American Steel Studios (affordable studio and maker space) and The Crucible (industrial arts school) in West Oakland. Preserving the availability and affordability of studios, maker space, and performance space, as well as ensuring that artists can afford to live in the City, is one of the greatest challenges facing the continued success of this cluster.

"The City needs to implement arts-based initiatives that generate economic development while strengthening community. We need to see a deeper and more expansive investment in cultural equity across the city in all neighborhoods, and we need to see this investment put into practice as a resource and key strategy for creating a better Oakland" -- Anyka Barber, Betti Ono Gallery

versity-can-drive-innovation

¹⁴ <http://brr.berkeley.edu/wp-content/uploads/2013/05/B>

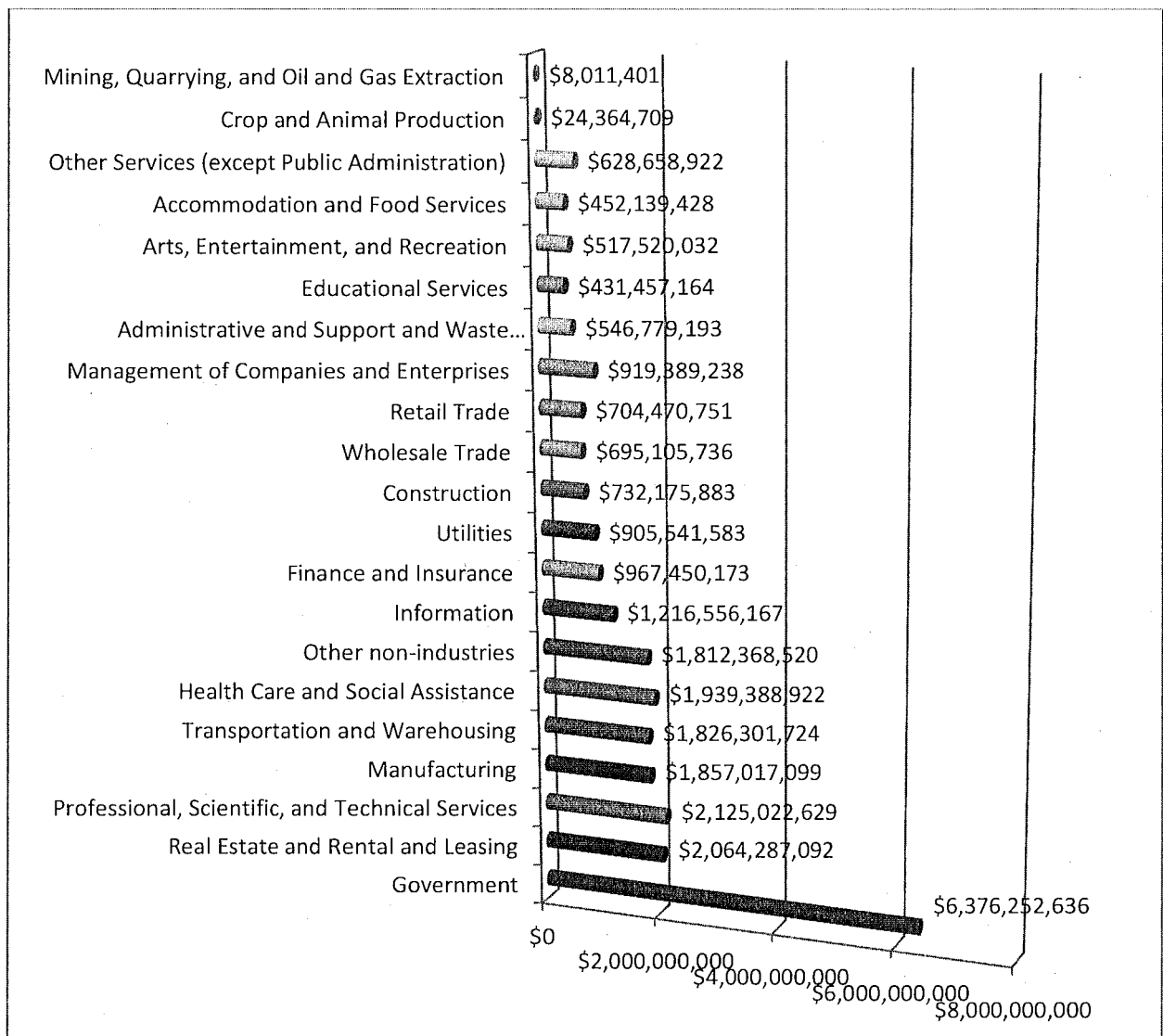
- Tech:** Up until 2015, the vast majority of Oakland’s tech sector consisted of locally grown firms, from startups to the Pandora headquarters. In 2015 several startups, digital design firms and business software consultancies relocated from San Francisco and Uber announced that it would open a portion of its headquarters at the former Capwell’s/Sears department store in 2018. An analysis of the current local tech ecosystem reveals tech firms that work across Oakland’s traditional economic sectors, including music, healthcare, education and manufacturing (with a strong showing in sustainability, although this is considered its own key cluster as described below). A strong characteristic of the growth in the last few years has been in the rise of co-working spaces for small businesses and entrepreneurs. Most tech companies are clustering in Uptown/Downtown because of the excellent transit access and range of restaurant and entertainment options considered as amenities for attracting in-demand talent. There are efforts to position properties in Fruitvale and the Coliseum area for tech tenants; and there is a tech cluster at the Airport Business Park. The City’s primary focus in growing the tech sector has been on increasing the diversity of the tech workforce to match the diversity of the city, as well as encouraging and supporting local businesses who seek to engage community members and advance equity goals within the tech sector. Oakland is home to a large number of socially-oriented or mission-driven tech companies as well as a number of tech-focused learning and community spaces, such as the Kapor Center for Technology and Social Impact. Oakland has been increasingly recognized as the leading national location for firms and organizations who address the lack of diversity in tech, such as #YesWeCode, Hidden Genius Project and HacktheHood.¹⁵ These organizations offer tech training opportunities and access to Oakland’s Black and Latino communities. In 2017 City of Oakland launched Oakland Startup Network to better resource female tech entrepreneurs and entrepreneurs of color.

“What I notice in the Oakland start-up community is a natural leaning toward using technology for social impact. Oakland has always had a thriving social justice and nonprofit community that lends itself to being more inclusive for minority entrepreneurs. Oakland could become the model for what other cities need to do to attract and retain more minority tech employees, more minority tech entrepreneurs, more diverse companies, and ultimately — more profitable companies.”
 -- Monique Woodard, 500 Startups, co-founder of Black Founders

enner-Pastor-Buddy-Spare-Some-Time.pdf

¹⁵ McKinsey and Company, “Why Diversity Matters.” January 2015. <http://>

Figure 6: City of Oakland GRP by Sector, 2012, listed by Value
Total GRP: \$26,750,259,003



Source: East Bay EDA

Anchor Institutions

Large firms have significant workforce, contracting, and real estate needs. Anchor institutions, which are defined not only by size but also by the extent to which their operations are tied to their location in Oakland, can play a valuable role as partners in the City's efforts to further inclusive economic development. In addition to directly employing tens of thousands of workers, all of these institutions have significant procurement requirements that support additional economic activity. Moreover, many of these institutions have made significant real estate investments in Oakland, giving them a shared interest in Oakland's long-term success.

Two distinct efforts are underway to expand the role that these institutions play in hiring and contracting with Oakland residents and businesses, including low-income workers and people of color –

especially since many of the non-profit and public institutions primarily serve low-income clients. Stronger relationships between Oakland’s anchors and the local economy have the potential to boost workforce pathways, expand local businesses, and increase business and city resiliency.

1. Anchors for Resilient Communities (ARC). ARC is a cross-institutional coalition supported by The California Endowment, San Francisco Foundation, Kresge Foundation and Kaiser Permanente, which aims to leverage the assets and the capacities of East Bay institutional anchors to develop healthy and prosperous communities, with a focus on meeting the needs of under-served neighborhoods in Richmond and Oakland. This study is working with the Democracy Collaborative and Emerald Cities to identify business opportunities to provide products and services to local Anchors.

2. The Alameda County Health and Social Services Agency has an anchors study underway that includes Kaiser, the Port of Oakland, Alameda County, and Caltrans, with a focus on Workforce development and Boys & Men of Color.

Figure 7. Top 20 Employers in Oakland, 2015

Employer	Oakland Employees	% of Workforce
Kaiser Permanente/Kaiser Foundation	12287	6%
Oakland Unified School District	5080	3%
Alameda County	4490	2%
City of Oakland	3500	2%
BART	3288	2%
State of California	3168	2%
UCSF Children's Hospital Oakland	2675	1%
Alameda Health Systems (Highland Hospital)	2300	1%
Southwest Airlines	2256	1%
Sutter Hospitals, Medical Foundation, & Support Services	2257	1%
University of California	1753	1%
Securitas Security Services	1564	1%
East Bay Municipal Utility District	1538	1%
US Postal Service	1433	1%
Federal Express	1344	1%
United Parcel Service	1320	1%
Pandora	1104	1%
Allied Barton Security Services	979	-
Manos Home Care	973	-
East Bay Regional Park District	946	-
Department of the Treasury	753	-

Source: City of Oakland.

Emerging Industry Trends that are Changing Oakland's Physical and Economic Environment

While Oakland's economy continues to be driven by many of the same longstanding sectors and clusters that have provided stability and resiliency over the long-term, these sectors are evolving in significant ways. Some of these changes are reflected in new job growth. Other changes have had less of an impact on total employment, but are still creating noticeable changes in specific locations within the city. Some of these emerging trends include:

- **Rapid growth in health care, education, leisure and hospitality, and information:** Figure 8 shows employment change by sector between 2010 and 2014. As shown, the health care sector added the most jobs during this period. However, education, leisure and hospitality, and information grew at the fastest rate, adding 20 to 30 percent more employees. In particular, the strong growth in the information sector reflects the growth of technology firms in Oakland, while the growth in leisure and hospitality – a category that includes restaurants – speaks to Oakland's growing reputation as a tourist and food destination. Most of these technology, restaurant, and entertainment businesses are locating in Oakland's downtown.
- **Evolving manufacturing, transportation, and logistics sectors:** As shown in Figure 8, manufacturing and transportation and logistics experienced relatively slow growth between 2010 and 2014, constrained by the City's low industrial vacancy rate and an aging industrial building stock in need of major improvements. However, while some large manufacturing companies (for example, in the food processing and furniture production industries) have closed, the manufacturing sector in Oakland is moving towards smaller scale, more specialized production, including 3-D printing and other advanced manufacturing. City efforts to stay on top of the manufacturing sector's evolving labor needs with programs like Design It – Build It – Ship It, a consortium of East Bay community colleges and workforce boards that received a \$15 million grant to support job training for manufacturing workers.
- **Growth of innovative business models, financing tools, and economic development efforts:** For example, the City of Oakland is supporting small businesses by serving as a trustee for the KivaZip program, which enables individual lenders to invest directly in small businesses. Oakland is at the center for the emerging benefit corporation (B-Corps) movement, a form of incorporation which provides a legal framework for businesses to pursue both profit and a social/environmental purpose. Of the 224 B-Corps in California, 23 are located in Oakland. The City recently supported the formation of Oakland Makers, a non-profit working group that brings together makers, manufacturers, educators, and economic developers to help increase the visibility and support the growth of industrial arts, applied technology, artisan production, custom manufacturing in Oakland, with a specific focus on West Oakland.

Real Estate Trends

Underpinning the resilient Oakland economy is the availability of a diverse range of employment space opportunities, from older industrial and warehouse spaces in West Oakland and along the Interstate 880 corridor, to a mix of Class A, B, and C office buildings in the Downtown. Residents from Oakland and around the Bay Area still live with the memory of high office and retail vacancies in Downtown and

other areas, and may be unaware of activities within the City's industrial buildings. Today, however, vacancy rates across the office, industrial, and retail sectors are very low, and prices for both commercial and residential space have increased significantly. Meanwhile, Oakland's high quality of life, the City's continued investments, and the growing regional economy are also attracting increased real estate development activity. These trends are reshaping the City's office, industrial, retail, and residential markets.

Office

Oakland has approximately 27 million square feet of office space, making it the largest office market in the East Bay. The overall vacancy rate fell to 4 percent at the end of 2016, lower than at any time since the dot-com boom of the early 2000s, lower than San Francisco and lower than the East Bay average. Correspondingly, rents have also spiked since mid-2014 (Figure 10). Inventory is particularly limited for businesses looking for spaces in the 25,000 square foot range.

The City's office space is concentrated in Downtown. The greater Downtown area has approximately 19 million square feet of office space (69 percent of the city's office inventory), including approximately 8.5 million square feet of Class A space (99 percent of the city's Class A inventory).¹⁶ This office concentration reflects Downtown Oakland's status as the largest and most densely concentrated employment center in the East Bay region, and one of the largest employment centers in the Bay Area. The broader Downtown Oakland area – including Broadway-Valdez, Chinatown, and areas near the Lake Merritt BART station – is estimated to contain nearly 84,000 jobs and to form the largest employment center in the East Bay.¹⁷ The majority of jobs in Downtown are in office-based sectors including professional and scientific services, finance, and information. Approximately a third of Downtown employment is in the public sector.

Industrial

Oakland has approximately 33 million square feet of industrial space, concentrated in West Oakland near the Port, around the Airport, and along the I-880 corridor. As of mid-2014, Oakland's industrial vacancy was the fifth lowest in the country, and the vacancy rate has continued to fall since that time (Figure 10). There is particularly strong demand for small storage and manufacturing spaces, especially for food production. Many of the remaining vacant spaces in Oakland require extensive renovations, or currently have renovations underway.

Oakland's significant inventory of industrial space, combined with the City's excellent transportation access, allows the City to function as a major regional hub for transportation, distribution, and warehousing. Food and beverage production, printing, packaging, fabricated metals, and home construction materials are all booming along the I-880 corridor, which is the most competitive location for manufacturing and distribution in the Bay Area. At the same time, limited space availability and high prices are putting pressure on existing businesses that occupy industrial space. This includes many artists, makers, and small entrepreneurs who struggle to find or maintain affordable space to stay and grow in Oakland.

¹⁶ Includes the Downtown Specific Plan Area and Chinatown. Source: Strategic Economics, "Demographic and Market Data and Findings for the PDA Profile," Downtown Oakland Specific Plan, September 2015.

¹⁷ SPUR, "A Downtown for Everyone: Shaping the Future of Downtown Oakland," September 2015.

Retail

Oakland has 55 distinct shopping districts, featuring a wide range of small, locally-owned specialty and food shops, neighborhood-serving stores, unique ethnic shops, upscale boutiques, and over 50 regional and national retailers. Overall, the City's retail vacancy rate is very low, falling under three percent in 2015, well below the East Bay average (Figure 11).

However, this average masks significant differences in performance among the City's neighborhood retail corridors. Many of the vacancies in Downtown have been filled, and commercial districts in North Oakland and the hills are thriving. Since the passage of the Broadway/Valdez Specific Plan, the district has attracted proposals for hundreds of thousands of square feet of new retail, and a new shopping center anchored by Sprouts grocery store is under construction. The recent renovation and expansion of the Foothill Square Shopping Center in East Oakland provides improved access to food, groceries, and other goods and services for local residents. At the same time, districts in other parts of the City still have significant vacancy rates, and many neighborhoods in East and West Oakland lack access to full-service grocery stores as well as other retailers serving daily needs. In addition, many small, family-owned retailers throughout the City could benefit from assistance in marketing, improving storefronts, planning for succession, and other areas.

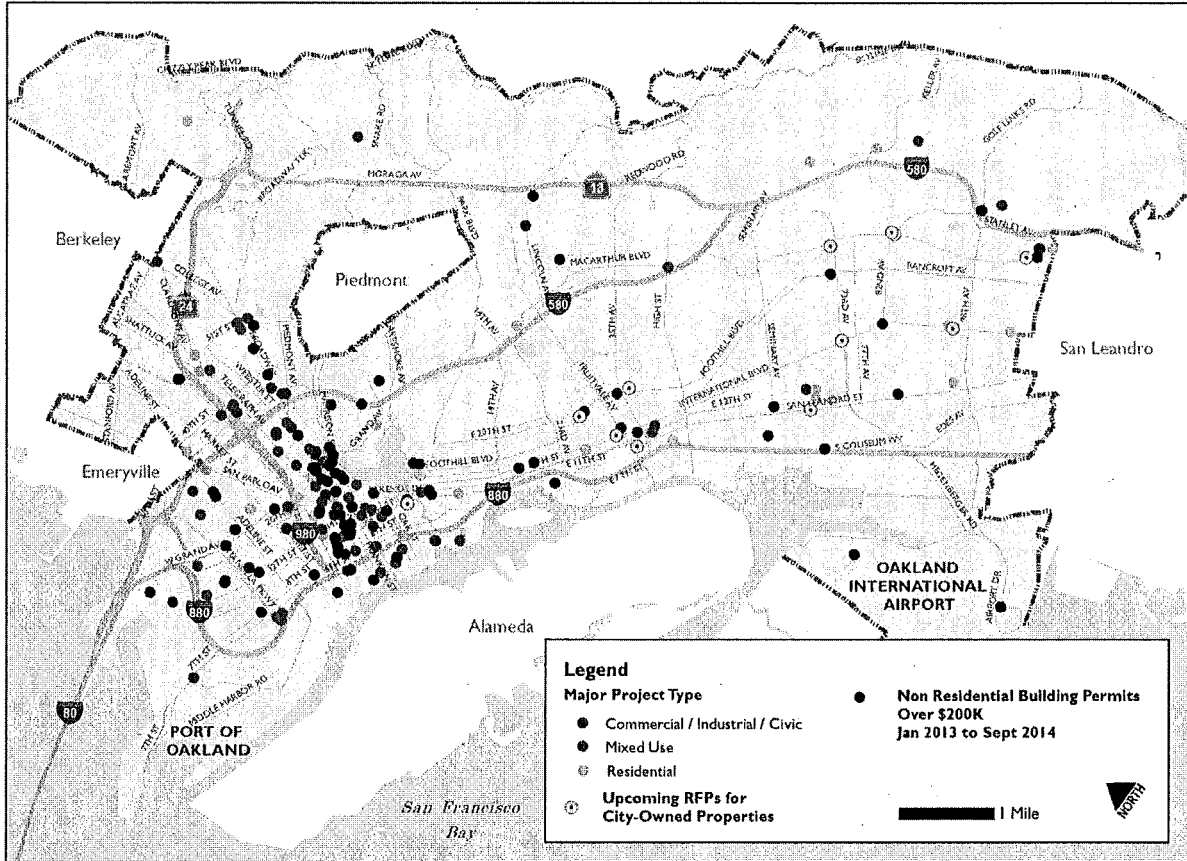
Residential

Strong employment growth throughout the Bay Area has led to rapidly increasing housing costs in Oakland. Rents and sales prices have spiked since 2011 (Figure 12), and Oakland continues to experience some of the fastest rising housing prices in the country. Job growth in San Francisco, in particular, has created market pressure for Oakland to accommodate higher-income households, creating mounting concerns about the displacement of existing residents. Increasing housing costs are arguably the most significant challenge currently facing Oakland residents. To this end, the City has recently adopted the Housing Equity Roadmap and formed a Housing Cabinet to recommend and implement new policies in support of housing at all income levels. The Strategy recognizes this work as essential to maintaining the City's economic development goals.

Just over 2,000 housing units were under construction or recently completed by the end of 2016 in Oakland, and an additional 17,000 units – including at least 1,130 affordable or senior units – were planned or proposed. Most of the recent development activity is concentrated in Downtown and North Oakland, with additional current and proposed projects in West Oakland, around all the BART stations and in other transit-accessible locations such as the International Boulevard corridor (Figure 9). In East Oakland, the planned developments at Brooklyn Basin (3100 units) and Oak Knoll (935 planned units) are the largest residential projects in the Strategy's 5-year time horizon.

While new housing development represents an opportunity to expand housing choices within the City, housing development must also be balanced with the need to maintain Oakland's diversity of businesses and jobs. The City must ensure through zoning and cross-departmental coordination that sufficient land is preserved for industrial and other employment uses.

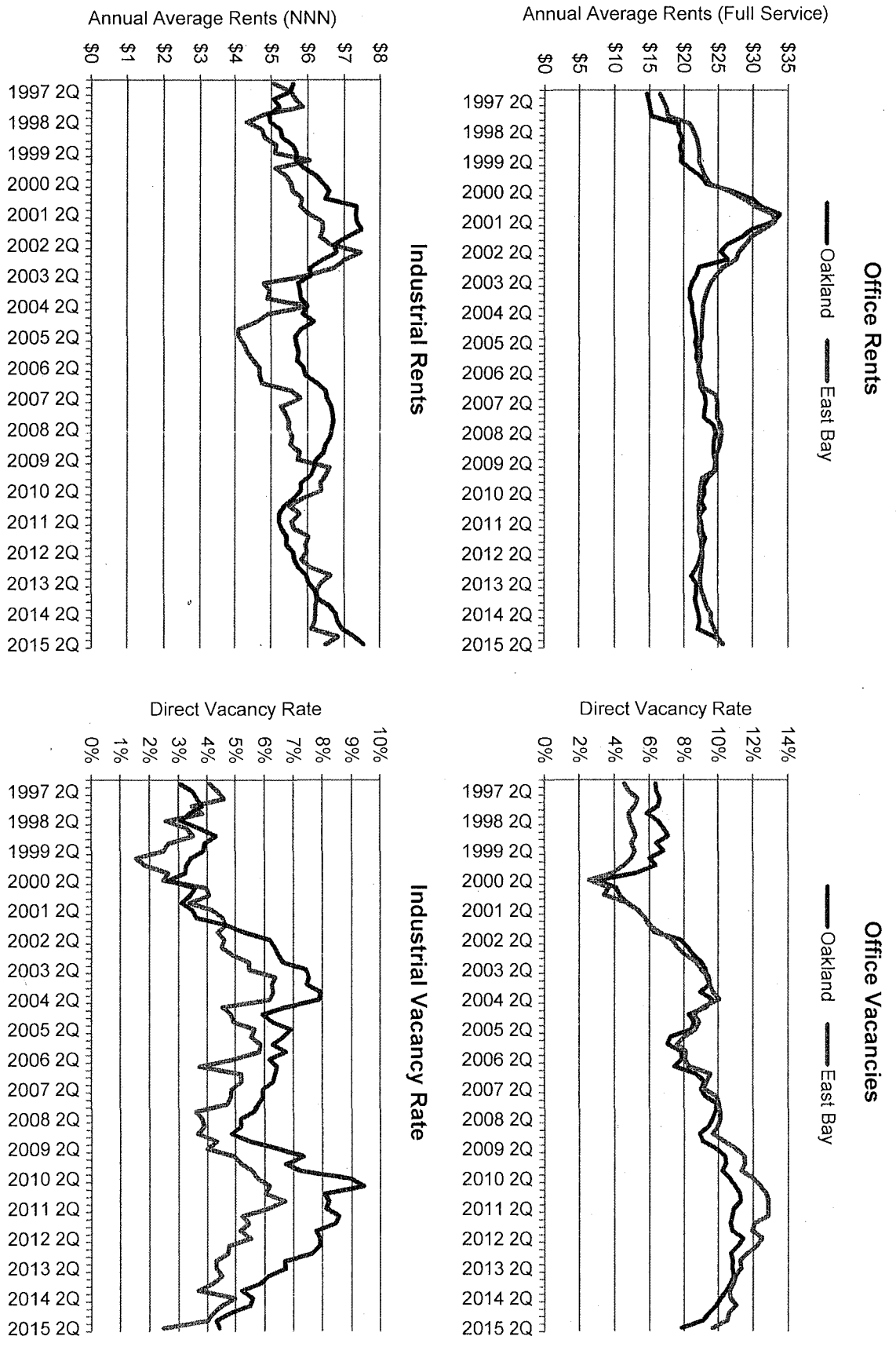
Map 4. Major Projects (Under Construction and Planned) and Recent Non-Residential Building Permits, 2015



ECONOMIC DEVELOPMENT STRATEGY
Major Projects and Building Permits

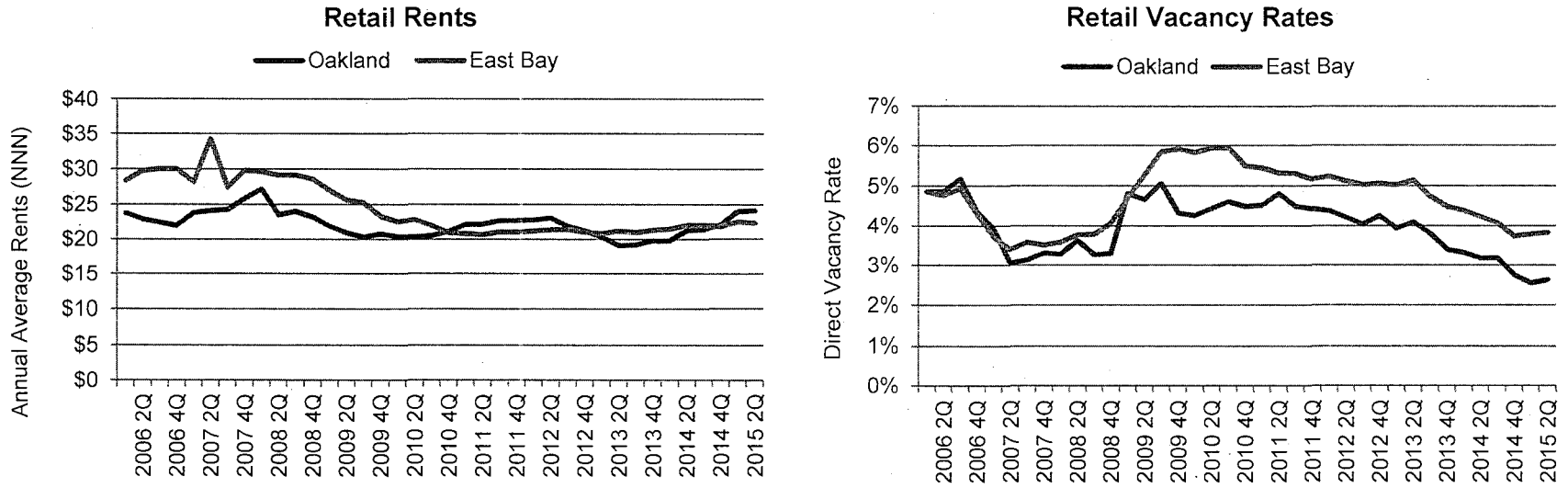
Planning and Building Department
 September 2015

Figure 8. Office and Industrial Rents and Vacancy Rates: Oakland and the East Bay, 1997-2015



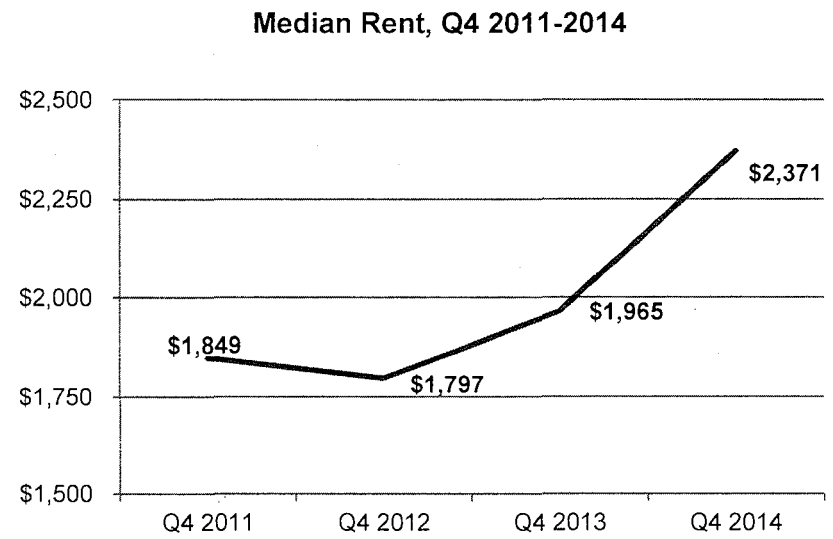
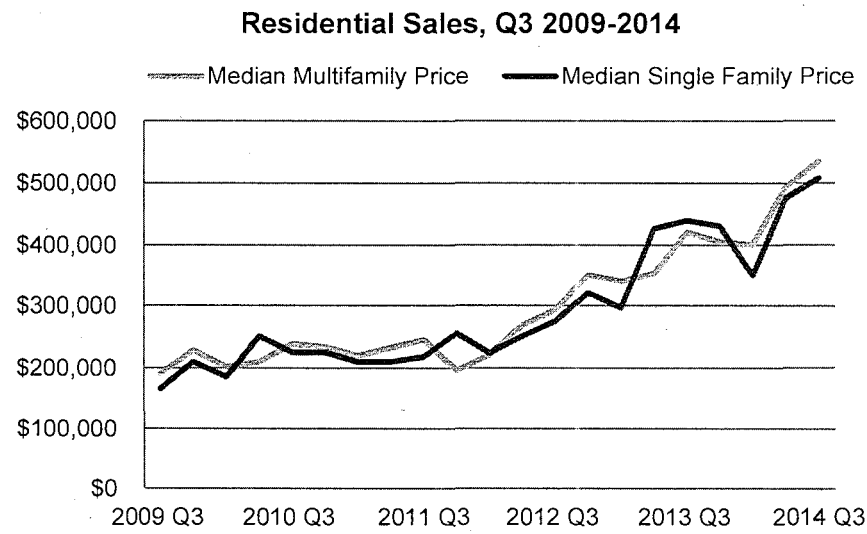
Source: CoStar, 2015; Strategic Economics, 2015.

Figure 9. Retail Rents and Vacancy Rates: Oakland and the East Bay, 2006-2015



Source: CoStar, 2015; Strategic Economics, 2015.

Figure 10. Residential Sale Price and Rent Trends: Oakland [Placeholder: to be updated for 2017]



Sources: HdL Companies, 2015; Zillow, 2015; City of Oakland, 2015.

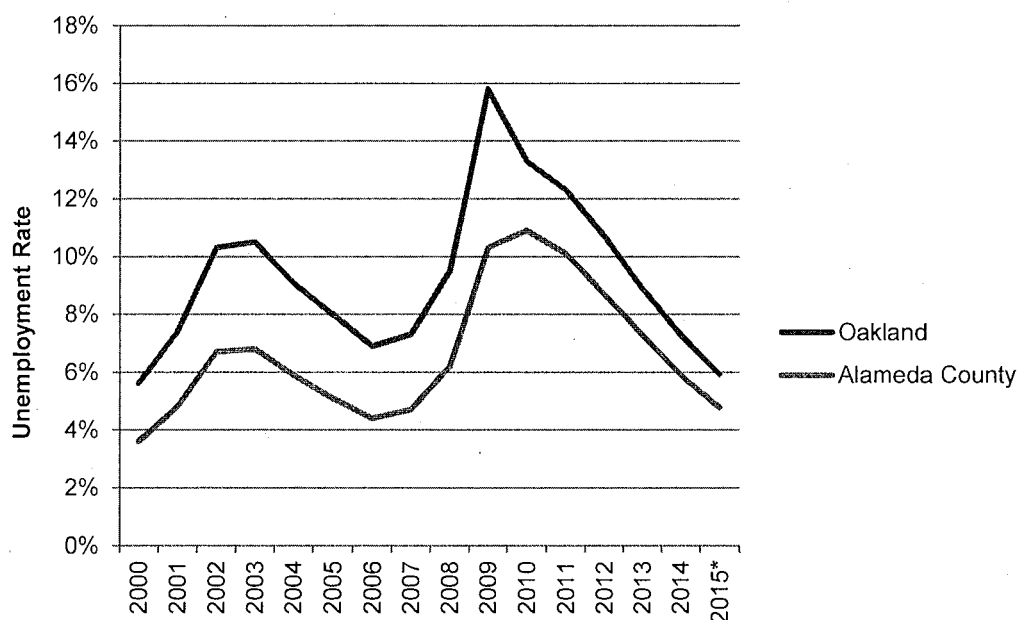
Participation In Oakland's Economy and Disparities by Income, Neighborhood, and Race

Oakland's growing economy benefits many of the City's residents. However, ensuring that residents across Oakland, including low-income and people of color, have equal access to employment and improved public services remains a challenge. This section discusses how residents benefit from Oakland's economic growth and persistent economic disparities by neighborhood and race/ethnicity.

Employment

As the local and regional employment base has grown, Oakland's unemployment rate has fallen from a high of 16 percent in 2009 to under 6 percent by the end of 2015. The gap between the City and County unemployment rates has also declined. Between 2000 and 2012, Oakland's unemployment rate averaged 3 percentage points higher than Alameda County's. This difference shrank to just over 1 percentage point by the middle of 2015 (Figure 13).

Figure 1. Unemployment Rates: Oakland and Alameda County, 2000-2015

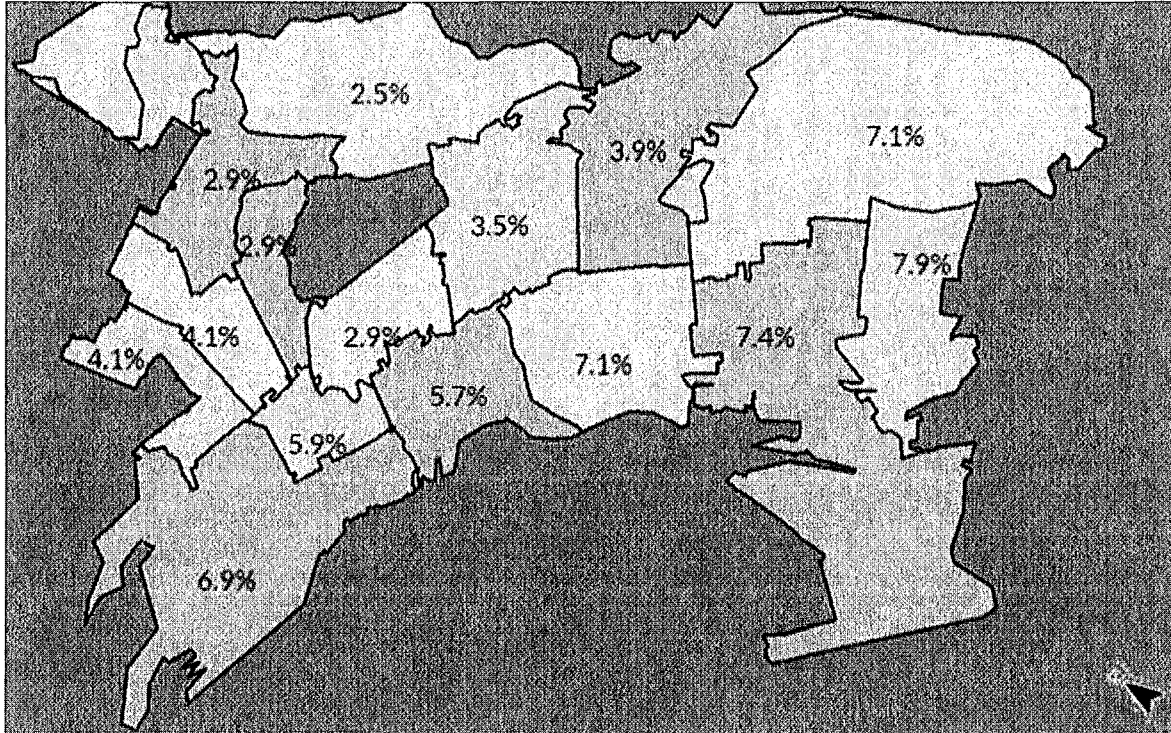


*January -June 2015.

Source: California Employment Development Department, 2015; Strategic Economics, 2015.

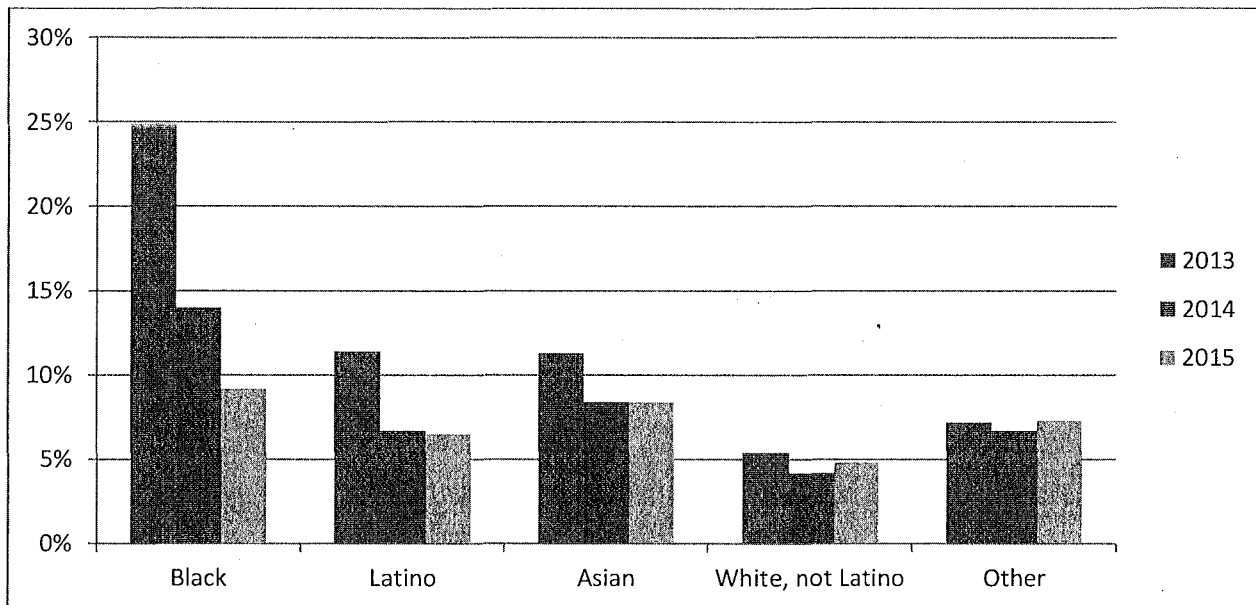
While Oakland's unemployment rate has decreased significantly on average, unemployment in some neighborhoods remains much higher than in others. Figure 10 shows unemployment rates by zipcode. The lowest unemployment rates are found in North Oakland (including zip codes 94608, 94609, 94610) and the Oakland hills (zip codes 94602, 94611, 94618, and 94619). The highest unemployment rates are found in East Oakland (including, zip codes 94601, 94603, 94605, 94621) and West Oakland (94607). Note that the unemployment rate only counts residents who are actively looking for work as unemployed. Data on underemployed workers (people who are working temporary or part-time jobs, but would prefer a full-time job) and discouraged workers (those who are no longer looking for employment) are not available at the local level.

Map 6. Unemployment Rate by Zipcode, September 2015



While the unemployment rate also reveals racial disparities, the unemployment gap has shrunk considerably in the last couple of years. Unemployment for Black Oaklanders shrunk from 25% in 2013 to 9% in 2015, lower than the state 11% Black unemployment rate. Latino and Asian unemployment also dropped from 11% to 7% and 8%, respectively.

Figure 11. Unemployment by Race and Ethnicity, 2013 - 2015



Sources: U.S. Census Bureau, American Community Survey; City of Oakland, 2015.

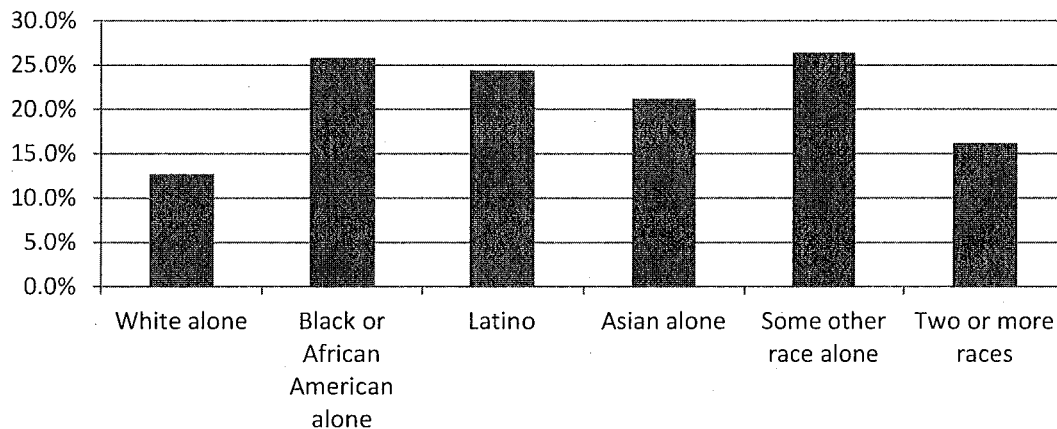
Income and Poverty

In addition to providing more employment opportunities, the improving economy has also contributed to higher City revenues. In particular, revenues tied to economic growth – including property, sales, business license, real estate transfer tax, and transient occupancy (hotel) tax revenues – have all increased significantly since the recession. Increasing revenues, combined with cost saving efforts, have enabled the City to invest in additional services for residents. The 2015-17 City budget included allocations for increased police training and oversight, expanded library hours, and additional code compliance officers to enforce against blight, abandoned buildings, and illegal vending, and expand the rental housing inspection program. However, City costs continue to increase faster than revenues.

While the City's overall economy has improved significantly, income inequality has risen. This is true of both the nation and the state. Income inequality increased sharply in California over the past two decades, increasing faster than in the U.S. as a whole. California also has the nation's highest rate of poverty, even without taking into account the high cost of living. There are also sharp racial disparities: 26 percent of the state's African-Americans and 24 percent of Latinos lived in poverty in 2012, compared to 9 percent of whites and Asians.¹⁸ Oakland has the same significant disparities in income and employment among racial and ethnic groups, as well as among different neighborhoods. For example, in 2014, approximately 28 percent of Oakland's African-Americans, 23 percent of Latinos, 22 percent of Asians, and 10 percent of whites lived in poverty.¹⁹ As shown below, employment rates also vary by demographic and geography.

Approximately 20 percent of Oakland families live in poverty – including 24 percent of families with children – compared to 9 percent of all families in Alameda County. Despite large swings in other economic indicators in the last five years, the poverty rate has hardly moved. White households have significantly less poverty overall and enjoy nearly double the median household income of most other demographics. (Figures 12 and 13). While African-American, Latino and Asian unemployment rates have decreased significantly, the median income for these groups shows little change. Overall, Oakland's residents are more likely than other Alameda county residents to work in lower-paid occupations such as food preparation, maintenance, personal care and services, construction, and transportation.

Figure 12. Poverty Rate by Race and Ethnicity, 2015

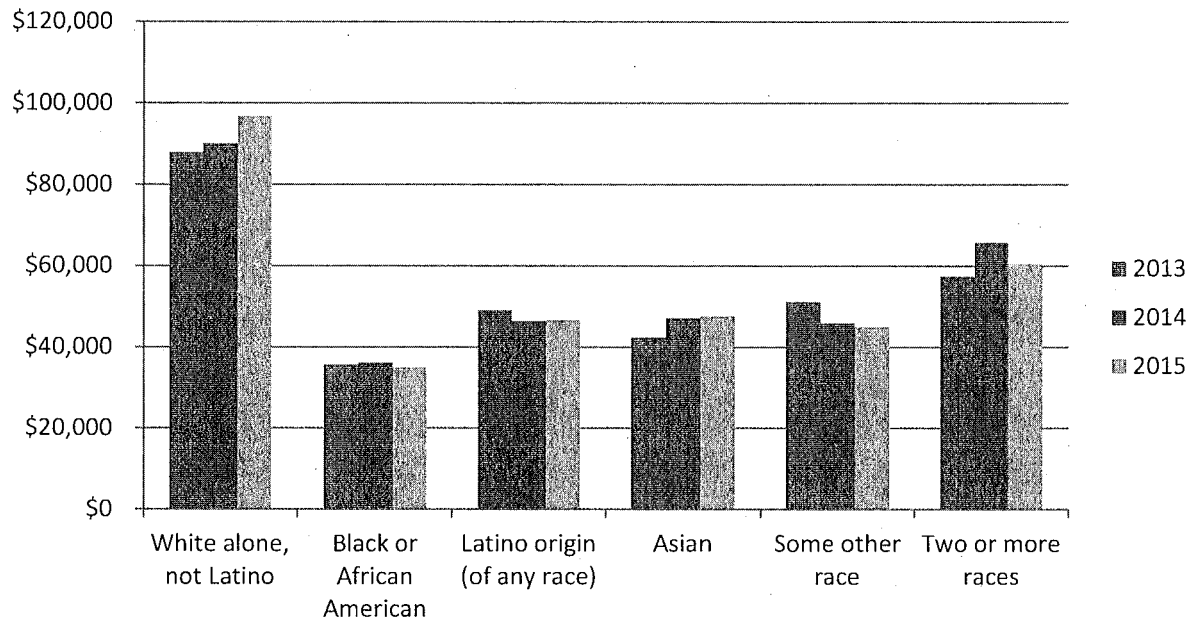


Sources: U.S. Census Bureau, 2014 American Community Survey; City of Oakland, 2015.

¹⁸2012 Population Survey, Annual Social & Economic Supplement.

¹⁹ U.S. Census Bureau, 2014 American Community Survey.

Figure 13. Median Household Income by Race and Ethnicity of Householder



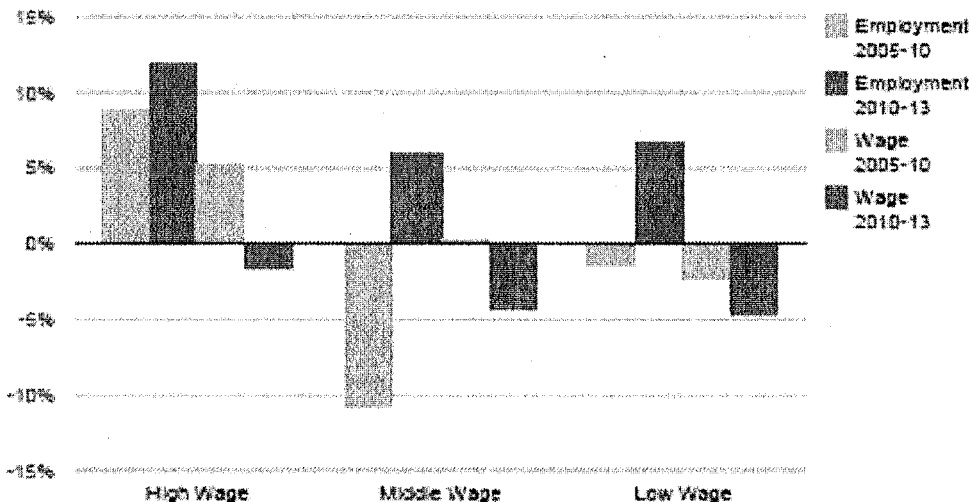
Sources: U.S. Census Bureau, American Community Survey; City of Oakland, 2015.

The City’s minimum wage law, which went into effect in 2015, benefits many workers in these occupations. The City’s analysis estimated that 57,300 Oakland workers, or 27% of the City’s employment, were affected by the 2015 minimum wage increase.²⁰ The new minimum wage is tied to the regional consumer price index and will increase with inflation each year. In the time period since the ballot measure was introduced, many more cities in the region have also raised the minimum wage. However, regional analysis (Figure 14) shows that these gains are working against a trend of declining wages for low wage workers.

²⁰ Hausrath Economics, “Economic Impact Assessment Of Proposed Minimum Wage Increase In Oakland.” July 2014.

Figure 14: Regional Analysis of Changes in High, Middle, and Low-Wage Employment and Wages

Declining Wages
Employment and Wage Change by Occupation Categories



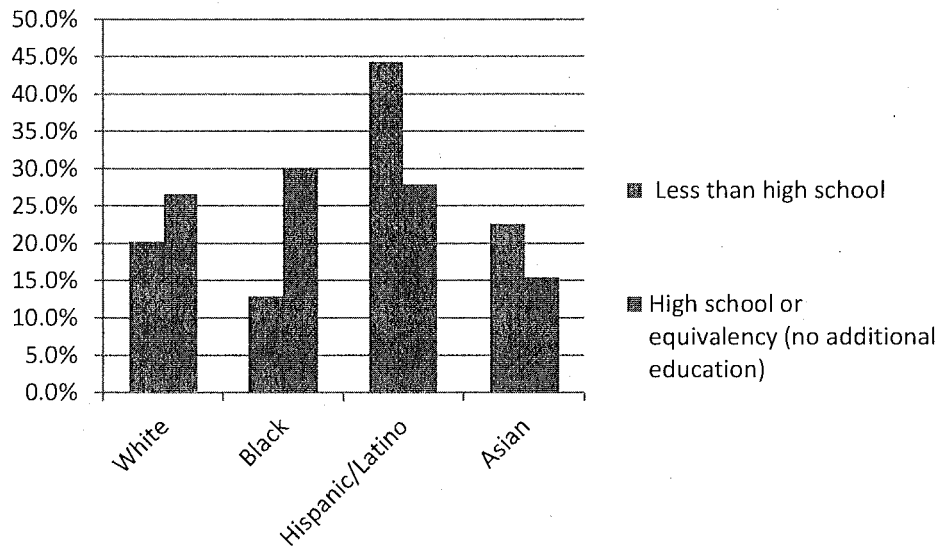
Source: ADAD from California Employment Development Department Occupation and Wage data, adjusted for inflation using Bureau of Labor Statistics Consumer Price Index for All Urban Consumers (CPI-U) for San Francisco-Oakland-San Jose, CA

Education and Educational Disparities

Oakland exceeds national levels both for the number of adults with college and post-graduate degrees, and for the number of adults who did not complete high school.²¹ In the past decade, Oakland’s public schools have made important gains in student achievement. Today, the Oakland Unified School District (OUSD) stands as California’s most improved urban school district.²² Unfortunately, a minority of Oakland’s children are meeting key educational milestones, and on most metrics, the achievement gap persists when comparing African American and Latino to White and Asian students. While Oakland’s graduation rate has improved in recent years to 63%, it still lags behind the average graduation rate of 80% for Alameda County and California.²³ A majority of Oakland’s public schools serve students students of color and those from socioeconomically disadvantaged or language minority backgrounds and too many Oakland students are not gaining the skills needed for successful employment.²⁴

²¹ <http://www.clrsearch.com/Oakland-Demographics/CA/Education-Level-and-Enrollment-Statistics>
²² Oakland Achieves - A Public Education Progress Report v2
²³ <http://www.ofcy.org/assets/Uploads/OFCY-Strategic-Plan-2016-2019.pdf>
²⁴ City of Oakland Resiliency Strategy—Preliminary Assessment.

Figure 15. Educational Attainment by Race or Ethnicity, 2014



Sources: U.S. Census Bureau, 2014 American Community Survey; City of Oakland, 2015.

Finally, Oakland also has a large and growing population of formerly incarcerated individuals who are a distinct demographic with barriers to earning potential and employment. Incarceration is both a predictor and a consequence of poverty. Alameda County estimates over 5000 Oakland residents have a conviction record. People with convictions often carry fee- and fine- related debts at the same time that their economic opportunities are diminished, and family members are often responsible for the costs of incarceration.²⁵ Criminal justice reforms combined with reduced barriers to jobs and housing may have a significant impact on household earning potential and the demand for City services. Providing opportunities for all Oakland residents to participate in the economy is a key element of this transformation.

²⁵ Saneta deVuono-powell, Chris Schweidler, Alicia Walters, and Azedah Zohrabi. Who Pays? The True Cost of Incarceration on Families. Oakland, CA: Ella Baker Center, Forward Together, Research Action Design, 2015.

APPENDIX A: SUMMARY OF PUBLIC OUTREACH AND STAKEHOLDER INPUT

This strategy incorporates significant outreach to City elected officials, staff, and a variety of stakeholders. The EWDD organized a series of focus groups and interviews that included staff from multiple departments, business owners, the Chamber of Commerce and other civic organizations, educational and health institutions, and state and regional agencies that provide services in Oakland. The focus group participants provided input on the values and goals that should guide the Strategy, provided feedback on the opportunities and challenges facing Oakland, and suggested ways that EWDD's work plan could be adjusted in order to be more responsive to changing conditions. *The Mayor's Office, City Council, and Community & Economic Development Committee also provided input and feedback throughout the process.* This appendix provides a summary of feedback from the focus groups and other outreach conducted as part of this process.

Summary of Recommended City Actions: Economic Development Strategy Focus Groups

Arts

- **Develop a broader Arts vision and adopt a statement** that the City values and encourages the arts
- **Improve property ownership and access to facilities and maker spaces** for artists
 - Develop vacant properties into affordable spaces artists can use
 - Create medium-sized space (smaller than Fox Theater) to accommodate artists
 - Improve marketing of spaces dedicated to art
 - Support innovation around funding for maker spaces, coops → big business investment, venture capital, microloans
- **Champion Oakland artists** – particularly in public spaces (model: "SF's Living Innovation Spaces")
- **Improve permitting / grant-making / insurance processes** to be more transparent, consistent, and non-discriminatory (discrimination relates to difficulty of insuring rap/hip hop events)
- **Develop career development assistance** for artists (perhaps a business assistance center for artists)
- **Collaborate across departments to support artists** (ie: police & fire departments code inspections can help or hurt artists)
- **Retain industrial or other manufacturing companies** that artists rely upon in the City (flight to Richmond and other cities among metal manufacturers, industrial printers, etc)

Manufacturing

- **Support the continued growth** of Food production/logistics/support services like packaging—all businesses that thrived during the recession -- along the 880 Corridor
- **Bring new industrial real estate to market**, especially small storage and manufacturing spaces for food production
- **Use flexible Zoning** to support design and manufacturing occurring in a single space.
- **Invest** in high-end dark fiber infrastructure
- **Encourage** food and advanced manufacturing industries to cluster
- **Offer financing** via shared revolving loan funds.

- **Invest in training** to supplying the talent for construction and mechanics jobs

Clean and Green

- **Strengthen workforce development programs** that **respond to growing demand for primarily white collar jobs** (not blue collar jobs) in the green economy
- **Provide public safety for the sector** by building upon the success of Ambassador's Program in downtown Oakland
- **Foster equity in the sector for low-income residents and people of color**
 - Support urban gardening and forestry projects/organizations
 - Strengthen Green Academies in Oakland Unified School District to encourage local hiring
- **Educate business owners about benefits of participation in clean energy pilot projects** to generate demand for clean & green services (example: Int'l Boulevard Commercial Energy Efficiency pilot)
- **Market the clean and green sector success story in Oakland to attract new businesses and brokers** (particularly around solar)
 - Set up a City of Oakland booth an annual InterSolar conference each July
 - Draw new green businesses by gathering groups to visit clusters of existing businesses

Small Businesses

Smooth out City's small business processes – as primary goal:

- **Improve education and outreach** on how to start a business in Oakland and move additional resources online (interactive flow charts)
- **Assign case managers** for each business or give businesses online accounts in database for city departments to track information and progress
- **Streamline permitting** process and put it online
- **Share more information on Business Service Organization partnerships**, particularly online, and the services they provide by category (first stops, funding, support & technical assistance, assistance finding affordable space and navigating real estate)
- **Reframe SBA guide language** to take on more encouraging tone about starting a business
- **Coordinate co-location of complementary businesses**

Incentivize growth of small business sector – as secondary goal:

- **Provide cash rewards** for reaching a specific milestone
- **Develop a commercial lending system** or **utilize HUD section 108 loan guarantee program**
- **Show ROI of various economic development incentives** for businesses
 - Loans, grants, staff help, hiring/training
- **Brand start-up sector** to encourage growth in the space: "StartBiz Oakland" and defer start-up obstacles/fees for up to 2 years
- Also **develop and tailor incentives to equitably support local, existing businesses** – particularly those in challenging neighborhoods

Retail

- **Fill retail gap in general merchandise/comparison goods sectors** that often only locate with each other

- **Communicate Oakland’s appeal to out-of-town directors of real estate** (local directors already understand) → more affordable land/leasing rates, local flavor, credible and fair city planning staff, etc.
- **Incentivize Oakland residents to “shop-local” in their own neighborhoods**
- **Address perception that retail projects won’t necessarily come to fruition** due to policy inconsistency
- **Decide if/how Oakland wants to develop retail chains** – different approaches for different neighborhoods
- **Foster vocal community groups to input into retail planning**
- **Encourage impact fee phased implementation**
- **Repurpose more existing buildings, like CVS on Broadway**
- **Bring in a pioneer retail business along International Blvd** to lead the way and demonstrate the neighborhood’s high potential
- **Ensure that zoning is for retail only (or retail hybrid) in key areas (corners, not mid-block) of underserved areas**
- **Build Building Department capacity and make fees and policies less short-sighted** to facilitate earlier sale tax revenue generation & employee payment
 - Hire additional permit coordinator for large projects
 - Offset “wet weather” moratorium
 - Standardize permitting process to reduce bureaucracy
 - Help retailers better estimate fees they will incur
- **Share retail success stories with other tenants in a given neighborhood**
- **Connect Workforce Development staff with retailer HR staff to enhance hiring**

Transport

Prioritize implementation of Complete Street & take advantage of paving schedule to redesign and implement them (Broadway, currently missing bike lanes in areas) in strategic areas at a tipping point

- Invest in 3-4 major streetscape areas, i.e. 14th (West Oakland to Lake Merritt, 73rd to Macarthur & HW 13 on ramp, & Broadway from W.Grand to Jack London)
- Continue Int’l Boulevard and Telegraph Avenue re-designs in progress
- Focus on on/off ramps such as Broadway-Jackson for 5th Street exit connection to Alameda & Jack London Square

Re-design key streets to support localized economic development

- Demonstrate economic impacts in transportation grant applications
- Demonstrate economic impact of bike infrastructure
- Support creation of a Transportation Vision linked to economic development
- **Support freight/port logistics and prioritize well-executed loading zones**
- **Improve streets and public space**
 - **Short term:** Create more plazas out of extra street space leveraging maintenance from community groups & BIDS
 - **Midterm:** Reduce street space to enable private development to sell it to landowners to enlarge development footprint
 - **Long term:** 980 Freeway becomes available for land development

Develop Demand Responsive Parking (working well in Berkeley), pilot program in Montclair. Bill as a customer and business-focused initiative, about access to commercial areas

Tech

Generate publicity around competitive advantages that Oakland offers tech sector

- Highlight lower costs than SF/SV for large tech firms & startups & their employees
- Engage tech companies aligned with socio-political interest in tackling diversity issues
 - Promote and feature DevLabs model as a global tech incubator for people of color
- Attend hackathons and Tech Crunch events outside of Oakland to be visible and tell Oakland's story
- Highlight and nurture growing cluster bright spots in EdTech and Solar

Generate local supply of tech workers and local demand for tech company services

- Coordinate closely with OUSD academy to discover new ways of learning and training, especially for minority communities
- Nurture pipeline of coding academies based in Oakland
- Connect tech entrepreneurs to trainings in valuation and equity
- Use RFPs for City work to engage tech services -- need for more transparency in contracting to ensure supplier diversity
- Use Google One and Google for Entrepreneurs; City should provide open data and ask for help with specific problems it faces or that NGOs are facing
- Encourage large tech firms supplier/vendor relationships with local, minority-owned biz's

Improve enabling environment for tech sector

- Explore broadband infrastructure access and appoint leader to ensure its development
- Offer more class A space that doesn't need major upgrades
- Address prevalence of crime and blight
- Address weaknesses of Oakland public school system that prevent families from moving here
- Start Oakland-based VC fund
- Explore non-VC funding for mission-based companies (ie: Community Banks)

Oakland's Regional Role

- **Leverage Oakland's competitive advantages in the region** (availability of space, strong artistic and urban culture, affordability relative to other regional cities, diversity & integration, good transportation, "hipness," Port of Oakland & industrial space, robust small business and start-up sector, growing energy/green growth sector, presence of UC as an investor with an endowment)
- **Utilize impact fees** – developers willing to pay, but more clarity needed on how process works in Oakland
- **Strengthen global strategy around airport, port, foreign trade zone development**
- **Support building and modernization of manufacturing/industrial facilities** to reduce flight of companies to other cities, and to support large manufacturing (blue collar) talent base currently in Oakland in need of middle-wage jobs
- **Develop workforce pipeline for white collar professional and administrative staff**; training is currently focused on other sectors

- **Prioritize investment in East Oakland, especially in business community/commercial corridors there** (will have regional impact) & **consider incentives for businesses to locate outside of downtown**
- **Support formation of complementary clusters of businesses**
- **Engage in regional goods movement planning** (especially re: clean tech, which plays big role in Oakland)

Equity

- **Target federal, state, and local resources to geographic areas that are most vulnerable** (double digit employment zip codes, high truancy rates, high blight rates)
 - Ex: Cap&Trade revenue + other future revenue sources such as a transportation tax
- **Take a systems approach to equitable growth:** must define a vision in terms of what type of economic growth Oakland wants. Then take a holistic approach using multi-pronged, coordinated interventions around workforce development, affordable housing, economic dev'p etc. Oakland Army Base as positive model (transport + job creation).
- **Similarly, create explicit links between equity planning strategies that are interrelated** (ie: Housing Equity Roadmap should be referenced in Economic Development Strategy).
- **Ensure that job quality & job access standards are included in every foundation grant**
- **Ensure that neighborhood stabilization is prioritized (residential & business) as a prerequisite to equitable growth** (ie: tenant protection)
- **Promote economic benefits for B-Corps** by exploring models of community benefits that increase social impact of companies. (Emeryville requires tenants to provide in-kind services to schools for a break on rent).
- **Foster community engagement (procedural justice) in projects Oakland has begun and needs to finish** (Int'l Blvd, E. Oakland, San Pablo). OSNI as positive model w/ community land trusts.
- **Create a learning environment to test best practices in equitable growth** in which we can more deliberately try out models in single neighborhoods to figure out what works
- **Explore innovative models for sustaining/growing biz's with local ownership** (employee stock ownership, resident ownership models, direct resident investment in local businesses)
- **Ensure low income residents & people of color have access to workforce development training linked to actual jobs in fastest growing sectors** (tech, green space); take proactive approach to predicting needs in these sectors

Resiliency

Program goals for the international 100 Resilient Cities program goals **include** "Foster Economic Prosperity" and "Support Livelihoods & Employment." Locally, public stakeholders in Oakland's Resiliency planning process, supported by the Resiliency Task Force, an interdepartmental team of City staff, selected economic development and security as one of the top issues the City should address.

The Resiliency Playbook states as its goal: "Oakland will enable all residents to be economically secure, build wealth, and achieve their full potential, regardless of race or means. Oakland seeks to build a model of responsible economic growth and business attraction, in concert with a commitment to building economic security, especially for those who have historically had limited access to opportunity." The Playbook recommends the following actions:

- **Support asset building** for low-income parents and children through Oakland Promise College Savings Initiatives
- **Create pathways to career success** for young men and women of color
- **Design a suite of inclusive economic development services** to help entrepreneurs of color gain equal footing in Oakland's economy
- Align economic resilience goals with the **Oakland Thrives** wealth impact table

In addition, the Resiliency task Force highlighted the need for affordable housing and floated the idea of business support for landlords and property managers in order to achieve the city's housing goals.

Additional Public forums on Economic Development:

SpeakUp Oakland Forum²⁶

- **Return to Community Development Block Grant Boards** which kept the city connected and aware of issues affecting every Oakland community
- Implement a program that provides tools and opportunities for local companies **that make products in Oakland.**
- **Renovate the Henry J. Kaiser Convention Center/Calvin Simmons Theater**
- **Regulate and tax illegal activities**
- **Create a clear development vision** for Oakland that connects its neighborhoods. Recognize the vibrant arts community, give better opportunities and cheaper space to the growing small/micro business community
- **Bring entrepreneurship training programs** and support services to Oakland.
- **Create a protected bike path** connecting Lake Merritt, Jack London Square and West Oakland
- **Use a marketing campaign** to change the perception of Oakland
- **Use community development incentives to help sustain existing locally owned business** and to invest in expansion as well as create compliments to existing locally owned business. For instance if there is a coffee shop, fund an ice cream store next door
- **Use wage and employment incentives** to make it possible for the least advantaged residents be to increase contribution to local economy.
- Support organizations that **provide technical assistance to worker-owned businesses** and secession planning for retiring business owners.
- **Increase residential densities and reduce parking** to increase demand for local services

East Oakland Listening Session²⁷:

- **Invest in East Oakland entrepreneurs, brick & mortar businesses and infrastructure** at a comparable scale to the public investment in Downtown and Lake Merritt
 - Desired business types include pharmacies, health & wellness, academic services, banks & credit unions, spaces for students and people in recovery (e.g. an Alano Club)
- Illuminate City of Oakland **Planning and Economic Development processes and programs affecting commercial corridors**—why are some commercial corridors unorganized or failing.
- **Increase education and training resources**
- **Improve diversity in hiring**, including at public schools
- **Remove barriers** to hiring and address discrimination for re-entry population
- **Support development of co-ops and resource sharing**, including public education on investment and credit repair
- **Enable community-led** purchasing and redevelopment of vacant parcels
- **Establish land trusts**
- **Stop high rent increases, absentee landlords, and homelessness**, which affect student truancy
- **Increase homeownership**, including through downpayment assistance, job security, improving credit, and increased awareness of existing services

²⁶ <http://speakupoakland.org/projects/economic-development-strategy>

²⁷ <http://www.eastoaklandcollective.com/>

- **Reduce Real Estate speculation** and vacant properties
- **Eliminate illegal dumping** and improve city communications around blight.
- **Fund community ambassadors** to keep streets clean.
- **Use youth program funding** to train the next generation of Oakland workers and residents
- **Be vigilant** about program implementation

West Oakland Commerce Association

- **Assign more** dedicated business development **staff** to be on the street
- **Emphasize retention** of light industrial businesses, especially those offering good career pathways to non-college graduates
- **Understand Regional** obligations and relationships
- **Separate** Custom Manufacturing from Food production as a distinct sector
- **Improve processes** for opening a business and **interdepartment coordination**
- **Resolve infrastructure and blight** issues in order to allow business communities to thrive and to attract new businesses
- **Consider a commission or other ongoing body** that can elevate business issues and the conversation around economic development
- **Value** the industrial businesses for their contributions to the local economy
- **Provide code enforcement** around vacant properties
- **Be flexible and offer lien forgiveness** for property owners willing to work with the City and community to develop buildings consistent with the established vision

Workforce Development Board²⁸

- **Explore and develop** incentives systems and tools that encourage Oakland-based businesses to hire local residents.
- **Coordinate outreach**, marketing and communications strategies among business service providers to minimize duplication of efforts and enhance community impact.
- **Develop and/or strengthen programs**, services, and initiatives that meet the workforce development needs of historically underserved populations who need more assistance with accessing quality jobs.
- **Strengthen and expand work-based learning opportunities for youth** and young adults in the City Of Oakland, with particular emphasis on summer employment.
- **Link, align, and leverage public, private, and philanthropic resources and investments** to strengthen the ecosystem of public, private, and community-based organizations supporting workforce development in the City Of Oakland.
- **Consider examples** from other Cities, such as subsidized or free space to businesses in areas where the City wants to generate economic activity.

²⁸ Board Meeting in January 2017

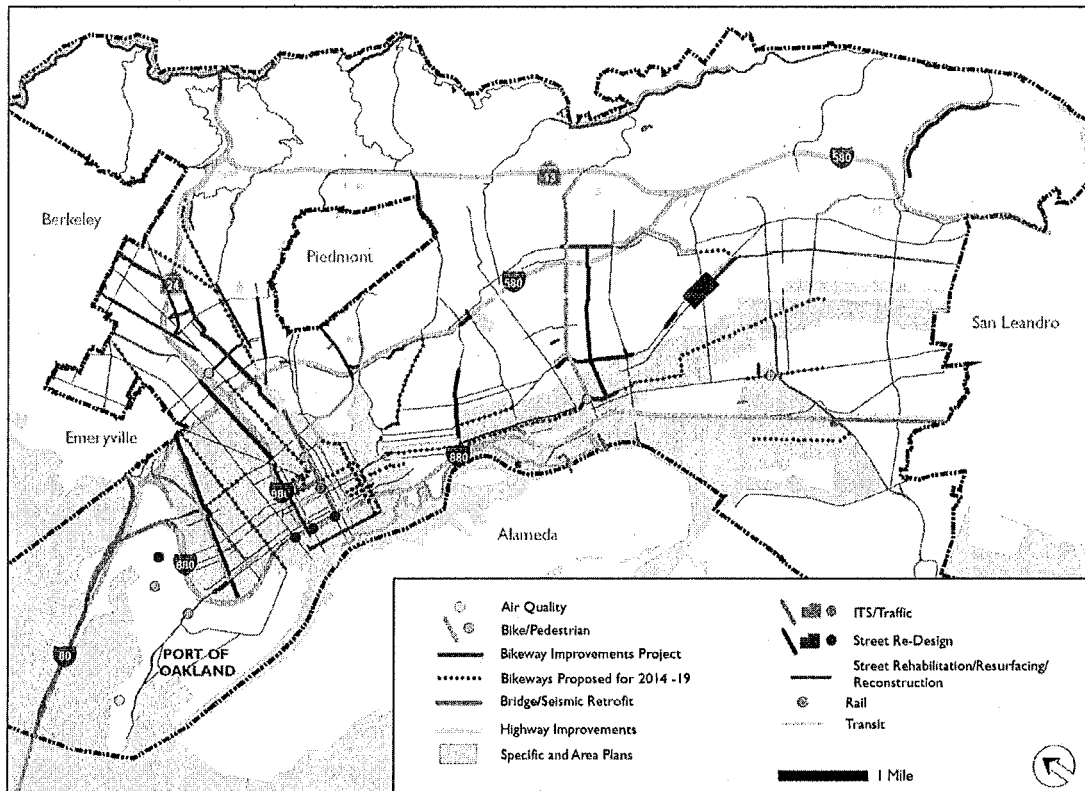
- **Maintain affordable commercial rents** for nonprofits who supplement or provide essential social services.
- **Study poverty in Oakland** to better understand what policies will effect reduction.

APPENDIX B: DOCUMENT REVIEW SUMMARY AND INVESTMENT MAP

Oakland has laid extensive groundwork for this type of interdepartmental coordination and catalytic investment through six recent Specific Plans and the International Boulevard Transit-Oriented Development Plan. The plans create a regulatory framework for new development, and identify investments needed to improve local infrastructure and public space, physical appearance, and safety. Many of the plans have an explicit focus on equitable access to transportation and jobs, and on providing improved infrastructure and other community benefits for low-income residents and people of color. The Strategy provides direction to achieve those goals. Capital investments planned for the next five years will help implement the Specific Plans and bring additional transportation, parks and open space, and utility improvements to Oakland's neighborhoods (Figure 4).

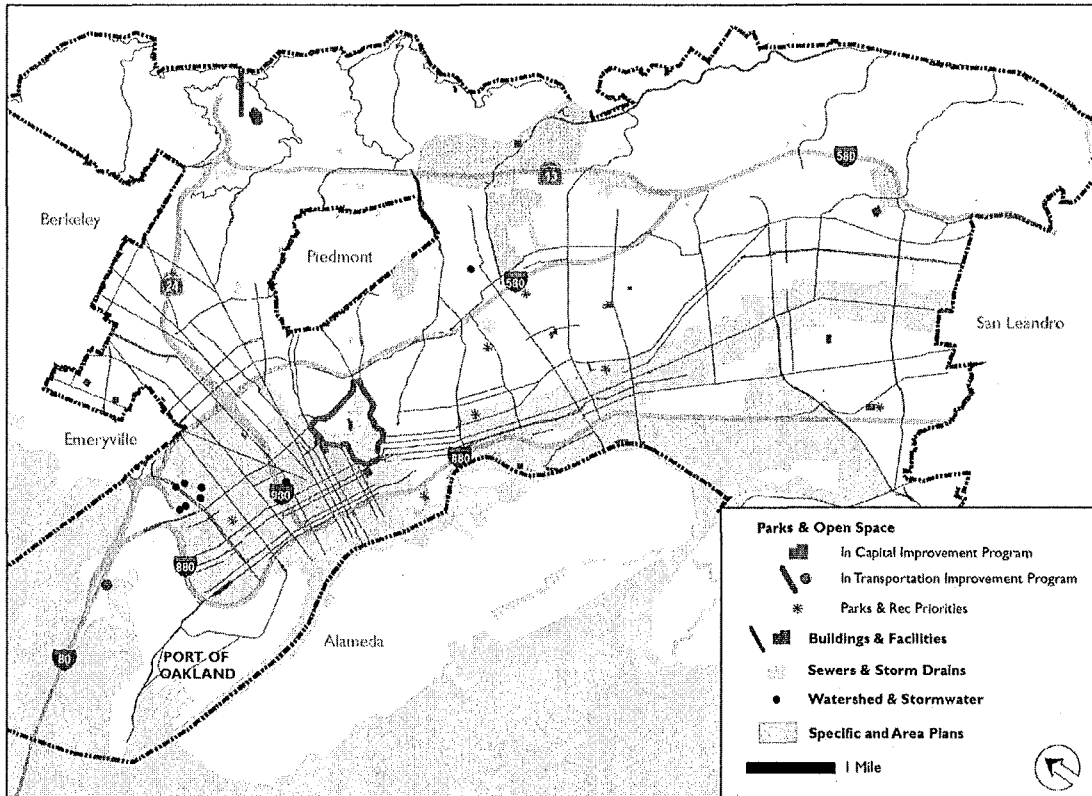
Figure 15 shows public infrastructure investments in streets, parks, buildings and sewer and storm drains planned for the next five years, which is the intended time frame for the Strategy. Many of these investments represent opportunities for business engagement around street redesigns. The most significant, the construction of Bus Rapid Transit on International Boulevard includes extensive community involvement and has business engagement and arts programming and placemaking underway. The successful completion of this project is an economic development priority and a potential model for other corridors.

Figure 2. Five-Year Investments: Capital Investments Planned by the City of Oakland, 2014-2019 – Transportation and Non-Transportation (Parks, Buildings, Sewers & Watersheds)



ECONOMIC DEVELOPMENT STRATEGY
5-Year Investments in Transportation

Planning and Building Department
 October 2015



ECONOMIC DEVELOPMENT STRATEGY
5 -Year Investments (Non-Transportation)

Planning and Building Department
 October 2015

Figure 16. Major Development Projects pipeline, City-Owned Properties and Major Building Renovations

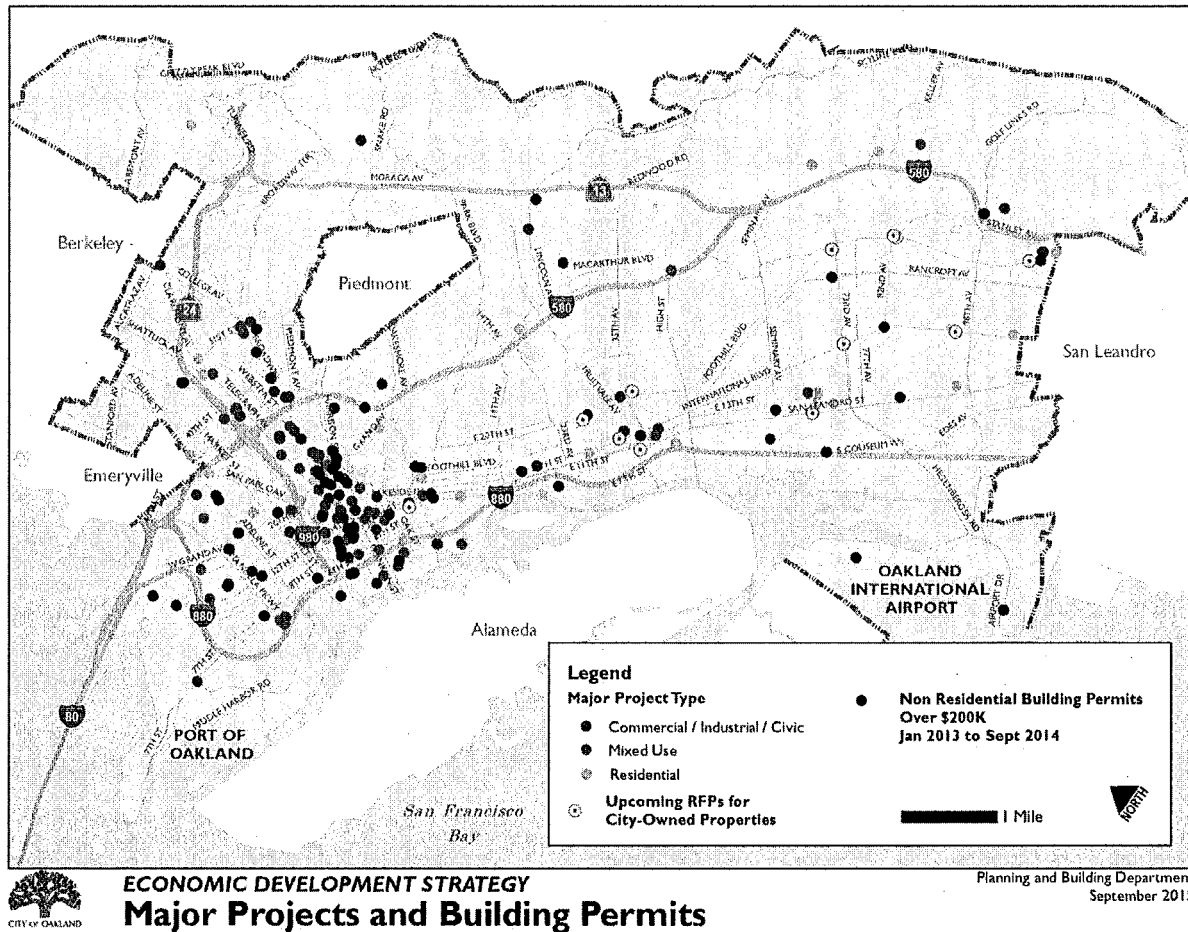


Figure 16, above, shows the geographic distribution of development projects on the current version of the Major Projects List, a listing of all proposed, permitted, approved, and under construction development projects in Oakland. The map also shows City-owned property that is slated to become available for development in the next few years through City-led RFPs. Finally, the map also includes buildings that have seen more than \$200,000 in repairs in the last two years. These combined projects demonstrate where major real estate investments are likely to occur in Oakland in the next five years. The map shows that private market interest is clearly strongest in the Downtown area, followed by North and West Oakland, while the opportunities for city-led catalytic investments are in East Oakland.

As part of the development of the Oakland Economic Development Strategy, Strategic Economics reviewed previous citywide economic development strategies, land use plans, and other relevant documents. These documents are summarized on the following page.

DOCUMENTS REVIEWED

Figure B-1 lists the strategies and plans reviewed. These included the six economic and workforce development strategies that the City of Oakland and/or local civic organizations have sponsored since the late 1990s; the City's six area plans; and other, citywide plans and documents including the General Plan Land Use and Transportation Element, the Oakland Redevelopment Agency Successor Agency's Long-Range Property Management Plan, and the Climate Action Plan.

Figure B-1. Strategies and Plans Reviewed

Plan	Date Completed/ Adopted	Sponsor/Author
<i>Citywide ED Strategies</i>		
Forging An Economic Development Strategy For The City Of Oakland	1997	Claggett Wolfe Associates for the City of Oakland
Oakland Moving Forward	2006	Community Task Force Report on Economic Development for the Dellums Task Force
Taking Stock of Oakland's Economy	2007	McKinsey & Company for the Oakland Metropolitan Chamber of Commerce
A Collaborative Economic Development Strategy for Oakland	2008	Oakland Partnership (collaboration of City & Chamber of Commerce)
Retail Enhancement Strategy	2008	Conley Consulting Group
Staff Cluster Analysis and Strategy Outline (Draft)	2013	Economic Development staff
<i>Workforce Strategies</i>		
Workforce Investment Board Strategic Plan 2013-2017	2013	Oakland Workforce Investment Board
<i>Area Plans</i>		
International Boulevard TOD Plan	2011	City of Oakland
Central Estuary Area Specific Plan	2013	City of Oakland
West Oakland Specific Plan	2014	City of Oakland
Broadway Valdez District Specific Plan	2014	City of Oakland
Lake Merritt Station Area Specific Plan	2015	City of Oakland
Coliseum Area ("Coliseum City") Specific Plan	2015	City of Oakland
<i>Other Plans</i>		
General Plan Land Use and Transportation Element	1998	City of Oakland
Climate Action Plan	2012	City of Oakland
Long-Range Property Management Plan	2014	Oakland Redevelopment Successor Agency

KEY FINDINGS

Several conclusions emerged from the document review:

- **The City of Oakland has not adopted a formal economic development strategy since 1997.** Although subsequent efforts have involved participation from City staff, they have been driven by outside organizations including Mayor-elect Ron Dellum's transition team (2006) and the Chamber of Commerce (2007 and 2008). Economic development staff began drafting a strategy outline in 2013, but this effort was not completed.
- **Previous economic and workforce development strategies have identified a similar set of sectors for business retention and attraction efforts.** Figure B-2 shows the sectors targeted in each of the economic and workforce development strategies. Sectors mentioned in most or all of the strategies are in bold. Common sectors include health care; international trade, transportation, and logistics; food manufacturing; green technology; the creative arts; and digital arts and media. In general, most previous economic development strategies have selected target sectors based on the potential to drive job growth, without considering how those potential jobs fit the education and skill levels of Oakland's existing workforce. However, the 2013 Workforce Investment Board Strategic Plan began to link target sectors with specific workforce training needs. The current effort to create an Economic Development Strategy represents an opportunity to build on the 2013 plan and improve the link between economic and workforce development activities.

Figure B-2. Sectors Targeted in Previous Economic and Workforce Development Strategies

Plan	Date	Target Sectors
Forging An Economic Development Strategy For The Target Industries/Clusters City Of Oakland	1997	<i>Existing:</i> Business Services, Health Services , Printing and Publishing, Transportation , Recreation, Arts , Entertainment, Food Processing (Manufacturing) <i>Emerging:</i> Software and Multimedia, Environmental Technology, Bioscience/Biotechnology, Telecommunications
Oakland Moving Forward	2006	Arts , Green Economy, Small Business
Taking Stock of Oakland's Economy	2007	<i>Existing:</i> Health care /Bio Tech; International Trade and Logistics ; Downtown <i>Emerging:</i> Green Industry; Arts, Design, and Digital media ; Food Manufacturing
A Collaborative Economic Development Strategy for Oakland	2008	International Trade and Logistics ; Health Care and Life Sciences; Green Technology; Creative Arts
Oakland Workforce Investment Board Strategic Plan 2013-2017	2013	Health Care ; Construction; Transportation, Distribution and Logistics ; Digital Arts and Media ; Retail; Manufacturing, including Food Production and Distribution; Green Industries
Staff Draft ED Strategy	2013	Food and Beverage; Health Care , Health Technology and Wellness; Green/Clean Technology; Creative Industries; International Trade, Logistics, and Warehousing

Bold text indicates sectors mentioned in most or all strategies.

- **Previous strategies have involved limited outreach to stakeholders.** Instead, most of the strategies have focused on analyzing employment trends in order to identify which sectors drive Oakland's economy. While understanding the sectoral mix of Oakland's economy is important, outreach to stakeholders is critical to evaluating the strengths and weaknesses of existing economic development programs, identifying specific challenges to economic development, and determining how the City should prioritize its economic development efforts moving forward.
- **The implementation sections of the previous economic development strategies have generally emphasized improving processes and coordination, rather than creating a concrete framework for specific economic development initiatives.** Most of the strategies have focused on increasing coordination across City departments and with other organizations in order to create a better business climate. In contrast, the Economic Development Strategy now under development will create a more specific framework to help economic development staff organize their work plans over the next five years.
- **In recent years, the City's focus has shifted to implementing specific plans in West Oakland, the Broadway/Valdez District, Lake Merritt, the Central Estuary, and the Coliseum Area.** International Boulevard has also emerged as a priority for implementing transit-oriented development around the proposed bus rapid transit (BRT) stations. The City is currently creating a Downtown Specific Plan and an Equitable Development Strategy to guide the implementation of the specific plans.

- If implemented as planned, the Specific Plans will accommodate more than three-quarters of the City's future projected job growth. Figure B-3 shows the non-residential development and associated employment gains projected for each of the five specific plan areas. In total, the West Oakland, the Broadway Valdez, Lake Merritt, and Coliseum specific plan areas²⁹ are projected to accommodate more than 50,000 new jobs over the time horizon of the plans, or more than 75 percent of the approximately 65,000 net new jobs that ABAG projects the City of Oakland will attract between 2015 and 2014.³⁰

Figure B-3. Specific Plan Development Projections: Non-Residential Space and Employment

	West Oakland	Broadway Valdez District	Lake Merritt Station Area	Central Estuary Area	Coliseum Area
Plan Area (Acres)	400	95	280	420	800
Non-Residential Space (Millions of Sq. Ft.)					
Existing	7.8	2.1	5.4	5.2	7.8
Net New (Build Out)	4-5	1.8	1.6	10	12
Percent Change	51%-64%	86%	30%	192%	154%
Employment					
Existing	15,890*	7,620	17,800	N/A	N/A
Net New (Build Out)	22,000*	4,100	4,100	N/A	20,000
Percent Change	138%	54%	23%	N/A	N/A

*Includes specific locations identified as "Opportunity Areas" only.

Sources: City of Oakland, Specific Plans and Environmental Review documents; Strategic Economics, 2014.

²⁹ The Central Estuary specific plan does not include employment projections.

³⁰ Association of Bay Area Governments, 2013.

- **Successful implementation of the specific plans will require significant involvement from economic development staff; however, prioritizing implementation actions will require ongoing coordination with other City departments.** Figure B-4 summarizes some of the key implementation actions mentioned in each of the five specific plans and the International Boulevard TOD Plan. The implementation sections vary significantly in level of detail and the extent to which they assign responsibilities to individual departments or specify time frames for implementing specific actions.

Figure B-4. Overview of Implementation Actions from Specific Plans

Plan	Major Implementation Actions
West Oakland	<ul style="list-style-type: none"> • Regulatory changes • Address blight, crime, safety concerns, basic infrastructure needs • Economic development • Longer-term transportation, open space, and other infrastructure improvements
Broadway Valdez District	<ul style="list-style-type: none"> • Regulatory changes • Continue marketing, coordination, and developer outreach to attract retail • Pursue strategic land acquisition and disposition • Provide public funding for structured retail parking, prioritized list of public realm improvements • Establish CBD • Develop citywide strategy for auto-related retail; relocate active dealerships from Valdez Triangle as needed
Lake Merritt Station Area	<ul style="list-style-type: none"> • Regulatory changes • Infrastructure and public space improvements (including BART station access) • Job training, local hire • Cultural preservation and vitality – e.g. public art, historical markers • Community facilities rehab – Lincoln Recreation Center, Kaiser Convention Center, Fire Alarm Building
Central Estuary Area	<ul style="list-style-type: none"> • Regulatory changes • Transportation investments
Coliseum Area (“Coliseum City”)	<ul style="list-style-type: none"> • Regulatory changes • Negotiations among developers, sports teams, public land owners (City, County, BART, Port) • Infrastructure and Pre-Development Improvements (\$236 million)
International Boulevard	<ul style="list-style-type: none"> • Continue planning for and facilitating TOD • Increase public resources to address crime • Invest in improvements to improve physical appearance, pedestrian environment, transit access, bicycle network • Prepare an EIR for the plan • Create a comprehensive approach to managing parking and traffic • Build partnerships

APPENDIX C: IMPLEMENTATION MATRIX

This appendix breaks each Action Item into a set of specific initiatives, and specifies the responsible department for each initiative, the expected timeline for implementation, the priority geography (if applicable), and additional partners and resources required. The matrix also includes proposed performance measures.

While the Action Items are intended to guide the Oakland's economic development efforts over the coming five years, the City is aware that the economy is dynamic and evolving. In order to remain responsive to changing conditions, City staff will revisit the implementation matrix every 18 months. Progress towards completing the Action Items and meeting the economic development goals will be evaluated every 18 months based on stakeholder input, data metrics, and self-evaluation by department staff.

Excel Spreadsheet as Exhibit following this page