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# AGENDA REPORT

**TO:** DEANNA J. SANTANA  
CITY ADMINISTRATOR

**FROM:** Kelley Kahn

**SUBJECT:** Quarterly Economic Development Activities Tracking **DATE:** April 3, 2013

City Administrator  
Approval

Date

4/11/13

**COUNCIL DISTRICT:** City-Wide

## RECOMMENDATION

Staff recommends that the City Council accept this Quarterly Tracking Report on Economic Development activities including actions related to the preparation of the Economic Development Strategy for the City of Oakland.

## EXECUTIVE SUMMARY

This report responds to the Community and Economic Development Committee's request for a standing quarterly report to track economic development activities including actions regarding the preparation of an economic development strategy. The City Council has directed the development of a focused economic development strategy that prioritizes support for Oakland's existing businesses, fosters new investment and revenue, and creates employment opportunities for Oakland residents. A brief overview of economic development activities in 1<sup>st</sup> Quarter 2013 is included in *Attachment A*.

For questions regarding this report, please contact Aliza Gallo, Economic Development Manager, (510) 238-7405.

Respectfully submitted,

Kelley Kahn, Director, Economic and  
Workforce Development

Prepared by:  
Aliza Gallo, Economic Development Manager,  
Office of Economic and Workforce Development

Attachment A: 1<sup>st</sup> Quarter 2013 Quarterly Strategy Development Outcomes

Item: \_\_\_\_\_  
CED Committee  
April 23, 2013

**ATTACHMENT A:**  
**(January – March 2013)**  
**ECONOMIC DEVELOPMENT STRATEGY**  
**ECONOMIC DEVELOPMENT ACTIVITIES REPORT**

Timeline	Goal	Actions/Outcome
<p>January – March 2013</p>	<p>Preparation of Overall Economic Assessment &amp; Indicators Report for Oakland</p> <p>An Economic Assessment Report will provide an updated overview of Oakland’s current economic performance. The purpose of report is to identify strengths and weaknesses in Oakland’s economy to grow business and attract capital in ways that create quality jobs and will inform the Economic Development Strategy.</p>	<p>Actions:</p> <ul style="list-style-type: none"> <li>▪ Economic Indicators Dashboard can be founded at the Office of Economic and Workforce Development website:  <a href="http://www2.oaklandnet.com/oakca1/groups/ceda/documents/report/oak038317.pdf">http://www2.oaklandnet.com/oakca1/groups/ceda/documents/report/oak038317.pdf</a></li> <li>▪ The City of Oakland economy continues to show signs of recovery, matching regional trends. A recent East Bay Economic Development Alliance Report by Beacon Economics ( February 2013) indicates the following data in the East Bay region: <ul style="list-style-type: none"> <li>○ Labor market growth will come from two sectors: Construction and Professional and Business Services. Beacon Economics forecasts employment in the Construction sector to increase by 2.4% over the course of this year, but to then accelerate rapidly—by the fourth quarter of 2015, year-over-year growth should reach 7.3%. Between the fourth quarter of 2012 and the fourth quarter of 2015, the Construction sector is expected to add roughly 7,000 jobs. Employment growth in Professional and Business Services is not expected to rise as quickly, but the growth will be substantial.</li> <li>○ Consumer spending, which has already surpassed a pre-recession peak of \$t0.1 billion, should continue to grow as well. From the fourth quarter of 2012 to the fourth quarter of 2013, taxable sales are expected to increase by 4.1%</li> </ul> </li> <li>▪ Per Colliers International 4th Quarter 2012 Reports, Oakland’s first quarter 2013 warehouse vacancy rate fell to 9.7 percent, down from 13.8 percent in the third quarter of 2010. Vacancy in the Downtown Oakland market has been steady in 2012. Class A vacancy ended the year at 11.0 percent, down slightly from 11.7 percent the previous year. Class B/C/Flex vacancy is exactly flat at 17.4 percent year over year, and we expect this to continue in 2013.</li> </ul>

	<p><b>Creation of Oakland's Key Economic Industries Strategic Action Plans</b></p> <p>Action plans will focus key activities to support and strengthen Oakland's key existing sectors and industries and emerging sectors as part of the Economic Development Strategy.</p>	<p><b>Actions:</b></p> <ul style="list-style-type: none"> <li>▪ <b>Health Care Sector: Activities in this sector:</b> <ul style="list-style-type: none"> <li>○ Participating in Children's Hospital Expansion Project staff team</li> <li>○ Presentation of Health Care &amp; Wellness Analysis to City Administrator's Office</li> <li>○ Preparation of Industry Profile</li> </ul> </li> <li>▪ <b>Food &amp; Beverage Sector: Activities in this sector:</b> <ul style="list-style-type: none"> <li>○ Facilitated Oakland Food Industry Panel as part of Oakland Restaurant Week, over 80 participants</li> <li>○ Working with Hope Collaborative on Food Strategy</li> <li>○ Meetings with current specialty food production companies regarding expansion requirements, relative to facilities and infrastructure such as Revolution Foods, Back to the Roots, and Sundia Foods</li> </ul> </li> <li>▪ <b>Creative Industry Sector: Activities in this sector:</b> <ul style="list-style-type: none"> <li>○ Facilitating the launch of a new public/private partnership to create the Summer of Makers Event, a multi-month celebration of Oakland's Maker Economy: (April 18 kickoff event; April 19<sup>th</sup> Oakland Museum)</li> <li>○ Attended the California Manufacturing Summit, Governor's Office of Economic Development</li> <li>○ Working with East Bay Economic Development Alliance on Advanced Manufacturing Initiative</li> </ul> </li> <li>▪ <b>Green &amp; Clean Sector: Activities in this sector:</b> <ul style="list-style-type: none"> <li>○ Preparation and research for annual Oakland: Build It Green San Francisco Business Times Supplement.</li> <li>○ Co-organized Town Hall meeting with Governor's Office of Economic Development as part of East Bay Green Corridor Innovation Hub</li> <li>○ Qualified Oakland as Party of Interest in California PUC Proceeding; seeking City eligibility for PG&amp;E's new Economic Development discounted electricity rate for qualified industrial users.</li> <li>○ 10 Oakland companies were nominated for grant funded energy control trainings</li> </ul> </li> </ul>
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<p>January – March 2013</p>	<p>Economic Development Program Brief overview of key activities of the Office of Economic Development</p> <p>Business Development Services</p> <p>Major Initiatives</p>	<p>Actions: 150 direct clients served in January –March 2013. Clients include:</p> <ul style="list-style-type: none"> <li>▪ New and Active Business Attraction Cases – <u>40 new businesses</u>, including Goodman Development, San Francisco Regional Center Investments, Peets Coffee &amp; Tea, SRM development, Broadway Shops Development, The Hive Broadway Development, popuphood Innovation Center, Hub Oakland, Chow Restaurant &amp; Bar, Oak Knoll Development, Fruitvale Shopping Center Expansion, Michael Kimball, Brendan Byrne Media Company, Habitot Museum, and direct support to brokers and CBDs in business attraction cases</li> <li>▪ New and Active Business Retention Cases- 18 <u>existing businesses</u> including; Hostess Brand - Colombo Breads, Oakland Film Center, Impact Transportation, Pacific Coast Container, and APLI International, erg Sol, Renewable Energy, DR3, and Jack London Gateway Shopping Center.</li> <li>▪ New and Active Business Expansion Cases – 15 <u>existing businesses</u> including Ecologic Brand, EV Go, Revolution Foods, Dreisbach Enterprises, Premier Organics. P provided ongoing business services to Foothill Square Development, Safeway Stores Expansion(s), Juniper Ridge, Sungevity/Sfun Cube Incubator, kW Engineering, Lakeside Recycling, Blue Bottle Café, Chase Bank, Solar Mosaic, 416 Warehouse, Cliff Bar Warehouse Expansion</li> <li>▪ Completing Business Incentive Agreement with One Toyota of Oakland to retain 105 full-time employees (about 20 are Oakland residents) and over \$400,000 in annual sales tax revenue to the City of Oakland. This retention effort utilizes the Business Incentive Program created by the Office of Economic Development to help generate jobs <u>and</u> tax revenue for the City.</li> </ul> <ul style="list-style-type: none"> <li>▪ Open for Business Pledge Implementation – Staff is scheduling meetings with other agencies to review and support Pledge.</li> <li>▪ Facilitated East &amp; West Oakland Business Alert Committee meetings; sponsored Citywide Business Alert Meeting to discuss safety &amp; security in commercial industrial areas; graffiti and blight; barriers to economic development &amp; retention</li> <li>▪ Coordination of efforts to re-organize the Oakland Foreign Trade Zone No.56 Program</li> </ul>
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	<p><b>Enterprise Zone Program</b></p>	<p>with Port of Oakland, EB EDA and Economic Development Directors of Alameda &amp; Contra Costa Counties; effort will include application to Department of Commerce to re-organize the Oakland Foreign Zone through a Alternative Site Framework (ASF) model to allow for a greater service area.</p> <ul style="list-style-type: none"> <li>▪ Participation by Economic Development staff in MTC Sustainable Communities Regional Grant Implementation Program – focus on development of an Economic Prosperity Plan to expand economic and housing opportunities for low-and- moderate income residents.</li> <li>▪ Part of Citywide Team on the AC Transit Bus Rapid Transit District (BRT) Business Impact Mitigation Program</li> <li>▪ Participated in State Sustainable Communities Planning Grant for International Blvd that includes economic revitalization goals; business attraction and retention efforts.</li> <li>▪ Specific Plans: Staff participation in West Oakland Draft Plan; Broadway Valdez Retail District Plan; Lake Merritt Central Estuary Implementation Plan; Lake Merritt BART Station Area Plan; and Coliseum City review team.</li> <li>▪ Participation in East Bay Economic Development Alliance regional economic development efforts: East Bay Broadband Initiative, Advanced Manufacturing AMPED Project, Small Business Symposium</li> </ul> <ul style="list-style-type: none"> <li>▪ Number of Companies that submitted vouchers: 87</li> <li>▪ Total Approved Employee Vouchers Issued: 1, 410</li> <li>▪ Average Hourly Wage: \$14.39</li> <li>▪ New &amp; Existing Job Information This Quarter <ul style="list-style-type: none"> <li>○ New Positions - 198</li> <li>○ Existing Positions – 1,212</li> </ul> </li> <li>▪ Key Employee Categories for 1,410Vouchers: <ul style="list-style-type: none"> <li>○ TEA Residents – 1,184</li> <li>○ Economically Disadvantaged – 133</li> <li>○ Public Assistance – 42</li> <li>○ WOTC – 20</li> <li>○ Ex-Offender – 16</li> </ul> </li> <li>▪ Staff continues to provide services to Emeryville and Berkeley as part of the Expanded Oakland Enterprise Zone Program.</li> <li>▪ Staff spoke on behalf of the City of Oakland at Statewide Enterprise Zone Program Reform Hearings</li> </ul>
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	<p><b>Business Assistance Center Services</b></p>	<ul style="list-style-type: none"> <li>▪ <b>Number of BAC Clients: 416 (January 1 – March 27) These include:</b> <ul style="list-style-type: none"> <li>○ Walk In Clients</li> <li>○ Web 2 Lead Inquiries generated by our BAC website</li> <li>○ Phone Calls</li> </ul> </li>   <li>▪ <b>Types of Issues Addressed by BAC:</b> <ul style="list-style-type: none"> <li>○ Business License/Tax</li> <li>○ Clarification on how to apply for financing</li> <li>○ Interpretation of City Zoning regulations</li> <li>○ Supplying Examples of businesses utilizing BAC</li> <li>○ Provided Site location for 7 Business using Costar</li> <li>○ Demographical Statistics provided for 3 Potential business owners</li> </ul> </li>   <li>▪ <b>Business Seminars Coordinated by BAC:</b> <p>January:</p> <p>Alameda County SBDC Seminar Series</p> <ul style="list-style-type: none"> <li>○ “Small Businesses: “Social Media Series” 1/8/13,1/15/13,1/22/13, 1/29/13</li> </ul> <p>February:</p> <ul style="list-style-type: none"> <li>○ Coordinated &amp; Conducted Presentation for WISE graduating class which included information on business planning, starting a business in Oakland, and preparing financial information for loan applications.</li> <li>○ Facilitated Alameda County SBDC/BAC Seminar Series on “Small Businesses utilizing Social Media” 2/5/13</li> </ul> <p>March:</p> <ul style="list-style-type: none"> <li>○ BAC Sponsored the “Oakland Business Service Provider’s” Meeting. Over 25 of Oakland Business network organizations attended this seminar to determine strategies to maximize and coordinate services and resources available to businesses, particularly small and micro-enterprises, and create better client tracking strategies. The Oakland Business Services Providers Network will have quarterly coordinating meetings.</li> </ul> <p>Future Activities by BAC:</p> <ul style="list-style-type: none"> <li>▪ BAC will be collaborating with Legal Services for Entrepreneurs to offer monthly free legal consultations with attorneys for entrepreneurs. These services will be offered in the BAC and will include lease interpretations, LLC/LLP entity and incorporation formation.</li> <li>▪ Staff continues to coordinate with Contract Compliance staff about offering dedicated hours at the BAC to provide certification services.</li> </ul> </li> </ul>
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	<p>Community Benefit District/Business Improvement District Activities</p> <p>Broadway Shuttle</p>	<ul style="list-style-type: none"> <li>▪ Staff continues to support the formation process of the Jack London Improvement District – property owner Petitions were distributed in April. The proposed district includes properties located between 6<sup>th</sup> Street, Brush, Fallon and Port commercial properties along Embarcadero. The focus is beautification, safety &amp; streetscape improvements.</li> <li>▪ Staff also continues to facilitate the CBD/BID Managers Forum. Staff is working with the KONO District to facilitate a Retail Broker &amp; Developer Tour on May 3<sup>rd</sup> and a Fruitvale District Tour in July.</li> <li>▪ In coordination with Building Services, the Master Encroachment Permit for the Downtown Oakland and Lake Merritt Uptown CBDs to allow for expanded public beautification projects was issued in February 2013.</li> <li>▪ Completed execution of agreement with new Lakeshore BID of 2012.</li> <li>▪ Completed review of annual reports and proposed budgets for four BIDs/CBDs (Korea town/Northgate, Downtown Oakland, Lake Merritt/Uptown, Fruitvale).</li> <li>▪ Compiled annual reports for two additional BIDs (Temescal and Laurel) for review and approval by City Council on or before July 2013.</li> <li>▪ Continued coordination with Temescal and Laurel BIDs regarding drafting and submission of proposed FY 13/14 budgets for those districts.</li> <li>▪ Coordinate with Revenue Division regarding billing of 2013 assessments for merchant-based BIDs.</li> <li>▪ Staff is exploring the development of a BID Express Program, an initiative to assist smaller commercial corridors, to receive benefits of a Business Improvement District</li> </ul> <ul style="list-style-type: none"> <li>▪ Working with the Mayor’s Office and the offices of Council Members Rebecca Kaplan and Lynette McElhaney, Economic Development staff secured a 1-year \$177,300 grant from the Bay Area Air Quality Management District (AQMD) to support continued Broadway Shuttle operations. This amount is half of the City’s initial request of \$354,600; City staff is working with AQMD staff to secure the balance of the grant request.</li> <li>▪ Selected consultant team (Fehr &amp; Peers, URS, and Nelson Nygaard) to complete Broadway Transit Urban Circulator Study. The study will assess the costs and benefits of upgrading the Broadway Shuttle to an electric Streetcar &amp; extending the route through the Broadway Valdez Specific Plan area to Kaiser Hospital and MacArthur BART. This major economic development initiative would spur mixed-use TOD development and attract businesses along the Broadway corridor, as well as bring positive attention and notoriety to Oakland. The study is being funded with a \$300,000 Caltrans grant secured by Economic Development staff &amp; and is being co-managed with the PWA Transportation Planning and</li> </ul>
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	<p><b>Outreach/Promotion Activities</b></p>	<p>Funding Division.</p> <ul style="list-style-type: none"> <li>▪ Over 188,000 passengers used the Broadway Shuttle during the first quarter of 2013. These passengers stimulated economic activity in Oakland by spending over \$2 million at restaurants and other business along the route, based on passenger surveys.</li> <li>▪ Economic Development staff submitted a \$546,267 Vehicle Registration Fee grant proposal to the Alameda County Transportation Commission to support Broadway Shuttle operations over the next three years. Securing this grant would off-set revenue reductions from the Bay Area Air Quality Management District and the loss of redevelopment funding for the project.</li> </ul> <ul style="list-style-type: none"> <li>▪ Participated in/staffed the Oakland Retail Advisory Committee, ; Oakland Land Use Committee monthly meetings</li> <li>▪ Participated in the planning committees for upcoming ICSC meetings: Oakland- San Francisco Hispanic Markets Initiative 2013 Workshop (April 11, Oakland); attended the, ICSC Alliance Monterey Idea Exchange, ICSC Idea Exchange Forum</li> <li>▪ Participated in City Council Member activities: District 4 Town hall meeting; District 3 Open for Business Community Meetings; District 5-Fruitvale Economic Summit</li> <li>▪ Participated in the Eastbay Economic Development Alliance Innovation Awards – 13 of the 80 nominees were Oakland companies and 3 of the final awardees were Oakland firms</li> <li>▪ Attended the OMCC Vision 2020 Summit; staff supported panel discussions</li> <li>▪ Supported and attended the Oakland &amp; San Francisco Mayors' Breakfast meeting</li> </ul>
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