

AGENDA REPORT

TO: Sabrina B. Landreth
City Administrator

FROM: Mark Sawicki
Director, EWD

SUBJECT: Economic Development Quarterly
Tracking Report

DATE: May 13, 2016

City Administrator Approval

Date:

6/2/16

RECOMMENDATION

Staff Recommends That The City Council Accept An Informational Quarterly Tracking Report On Economic Development Activities.

EXECUTIVE SUMMARY

This report covers the period from January 1, 2016 to March 31, 2016. It responds to the Community and Economic Development (CED) Committee's request for a standing quarterly report to track economic development activities and actions (**Attachment A**). This quarter's report has been reformatted to include a smaller sample of business development highlights while providing more details about these activities.

Please also find attached the Quarterly Economic Dashboard (**Attachment B**) covering employment, job growth, real estate, and revenue information, as well as the March issue of our monthly newsletter (**Attachment C**) also highlighting several new businesses and trends in the Oakland economy. Both are available for subscription at www.business2oakland.com.

COMMUNITY & ECONOMIC
DEVELOPMENT CMTE.

JUN 14 2016

Item: _____
CED Committee
June 14, 2016

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

Respectfully submitted,



Mark Sawicki, Director
Economic and Workforce Development Department

Reviewed by:
Aliza Gallo, Economic Development Manager

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

Attachments:

- A) Economic Development Staff Activities, 1st Quarter (January-March) 2016
- B) Oakland Quarterly Economic Dashboard, 1st Quarter (January-March) 2016:
<https://magic.piktochart.com/output/11405823-oakland-economic-dashboard-q4-2015>
- C) Economic Development monthly newsletter, May 2016: <http://bit.ly/1UmfQm6>

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Economic and Workforce Development Department
 Economic Development Unit
 Activities Report for January-March 2016

Company	Sector	District	Employees	Notes/Status/Business Needs
Flax Art & Design (attraction)	Retail	3	20	Flax Art Store determined that Oakland offered a great location for its flagship store, not only because of affordability, but the centralized location that 1501 MLK Way offers to its patrons as well as the growing market for its products. Economic Development staff confirmed the attributes of the location and, along with the City's Public Information Officer, brainstormed a comprehensive list of publicity and partnership opportunities. The Project Implementation Division supplied \$154,000 in matching tenant improvement (interior) façade matching grants.
Forge Kitchen (attraction)	Food/Beverage Manufacturing	3	15	Forge Kitchen a culinary co-working space that relocated from San Francisco to a 2,700-square-foot warehouse at 478 25th Street. Forge Kitchen will include offices, a commercial kitchen, maker space and a small café in which chefs can sell products. Economic Development staff is assisting the business in the coordination of EBMUD and City permitting issues.
Gatorade Oakland facility (retention)	Food/Beverage Manufacturing	5	80-100	PepsiCo's Gatorade bottling plant is located at 5625 International Blvd. in a 157,000-square-foot facility. Economic Development staff is working with new General Manager regarding workforce development services, additional street lighting needs, a planned BRT Station near the site, and possible access to the adjacent GE plant site for parking and other uses.

Economic and Workforce Development Department
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 Activities Report for January-March 2016

Impossible Foods (attraction)	Food/Beverage Manufacturing	7	25	Impossible Foods is a well funded start-up that creates plant-based meat and cheese substitutes. Its first product—the Impossible Burger—is set to launch in the U.S. next year with its production plant in Oakland at the former 65,000 square foot Just Desserts facility at 550 85th Avenue. The Oakland operation will start with 25 employees – involved in R&D all the way to full production. Impossible Foods is also planning for future expansion needs. Economic Development staff has facilitated introductions to City leadership and the surrounding business community, assisted with navigation of the City’s permit requirements, and supported the company’s executives with information about the City’s workforce development services and economic development plans.
Learners Guild (attraction)	Tech	3	n/a	Learners Guild, a California B-Corporation, is a network of guild-style professional schools that offer accelerated software developer training in one year. The company is located at 492 9th Street and will start its Oakland program in July. Economic Development staff provided site search assistance and introductions. The program has no upfront costs and provides a living allowance. Tuition is paid back only when graduates begin a job that pays over \$60,000 a year.
Mayvonn (attraction)	Tech	3	60+	Mayvonn is an innovative direct sales/e-commerce company and stylist platform selling African American hair products. The company was originally founded in Oakland. Staff conducted site searches, facilitated workforce development services, and assisted with business registration and permitting requirements for their return back to Oakland. The company recently raised \$10 million in venture capital after previously raising \$3 million in seed funding – for a total of \$13 million for the startup. Founder and CEO Diishan Imira is underway with exploring other product lines.

Economic and Workforce Development Department
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Mosaic (retention/expansion)	Green & Cleantech	3	~50	Established in 2011, Mosaic has become one of the nation's leading marketplace lenders in the residential solar power industry. Mosaic recently moved its operations from the Powerhouse solar incubator/accelerator to its own, stand-alone offices at 1212 Broadway. Additionally, this B-Corporation has recently raised \$200M in private equity funding.
Shops on Broadway Sprouts Store (attraction)	Retail	3	150	The "Shops on Broadway" development, located at Broadway and 30th Street, is the first major development completed in the Broadway Valdez Specific Plan area. The 36,000 square foot development includes a Sprouts Grocery Store and 10,000 square feet of additional retail, with approximately 150 retail related jobs. Economic Development staff has worked with the investor/developer for over three years to implement this project. Services included determination of environmental impact report requirements, planning and building permit coordination, introductions to community and City leadership, and facilitation with City departments as needed or requested by client. The project includes public spaces at ground level and a parking garage rooftop, and is consistent with the Broadway Valdez Specific Plans retail development goals.
Sungevity (expansion – long-term)	Green & Cleantech	3	375+	Sungevity is one of Oakland's premier large employers. The company has recently signed a new 10-year lease at 66 Franklin Street and is planning for its long term expansion in Oakland. Economic Development staff has offered to assist with coordination of building permits required for tenant improvements. In 2015, Sungevity secured \$650 million in equity and project financing, making it the largest financing of a private company in the solar industry for that year.

Economic and Workforce Development Department
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Jeremy's (attraction)	Retail	3	30	A discount fashion emporium, Jeremy's purchased the 114-year-old, 10,000 square foot First Christ the Scientist church in the Uptown neighborhood, doubling the size of its current Berkeley location in Elmwood (and formerly also in South Park, San Francisco). Coordinating with Project Implementation staff, Economic Development staff provided support with permit processing, introductions to the Lake Merritt Uptown Community Benefit District, and key City departments. In addition to a creative reuse of an historic resource, Jeremy's will likely catalyze further shopping in the area. Jeremy's "will be Oakland's largest designer apparel and shoe store since I. Magnin closed in 1995," according to the <i>San Francisco Chronicle</i> .
Hegenberger Shopping Center – Walmart Store Closure	Retail	7	400	As part of its global restructuring plans, 269 Walmart stores in the U.S. were closed, including the Oakland Walmart store in early February 2016. Staff is maintaining communications with Walmart corporate staff regarding workforce impacts, real estate actions, and property management coordination. Staff has had productive meetings with the property owner and Walmart's brokers, and are maintaining communications with other property representatives. Staff has worked with Walmart local brokers to explore viable retail users.
Coliseum Shopping Center	Retail	7	NA	The Coliseum Shopping Center located at 640 Hegenberger Road was once a thriving neighborhood shopping center. The Center is currently in receivership. Staff facilitated a meeting with the previous property owner, lenders, retailers and City offices. Staff is currently working with the lender's representatives to explore reuse or redevelopment of the site including maintaining a mix of community retail and retail/production uses.

1,205+

Economic and Workforce Development Department
Economic Development Unit
Activities Report for January-March 2016

Activity Highlights

- Sponsored the *Good Local Money for Your Good Local Business* funding guide, produced by the East Bay Express and the Sustainable Business Alliance, and offering detailed technical information on capitalizing local business initiatives from crowd funding to traditional loans to angel investors.
- In coordination with Port of Oakland staff, and colleagues in the Public Works Agency (PWA) and Oakland Police Department (OPD), worked collaboratively to reactivate the heavyweight trucking route, which is critical to several port users, and had become inaccessible in recent months due to some mixed signals from Caltrans.
- In coordination with OPD and the Downtown Oakland Association, and in the wake of the January 5th, 2016 fatal shooting in the neighborhood, Economic Development staff assisted with the formation of a new Merchant Watch group for property owners and merchants near Broadway and 13th Street, including the Integral Group, the Wine Merchants restaurant, and owner/property managers of 1330 and 1212 Broadway, among others; this group is now meeting monthly to flag problems and track progress.
- As part of the administration of the Oakland/Berkeley Recycling Market Development Zone (RMDZ), successfully secured \$13,500 in Zone Incentive Funds for outreach and promotion over the next three fiscal years (through June 30, 2018).
- Assisted new ownership for former BIMBO Bread plant (District 5) and former Svenhard's Baking (District 3) with introductions to community, businesses and City leaders; facilitated permitting processes and provided support with tenant businesses recommendations. Both are former industrial baking plants that are being reutilized to support current market production, warehouse and distribution uses.
- Assisted ALPI International, CWS and Silverado in their PWA and East Bay Municipal Utility District (EBMUD) processes for a street vacation, driveways and utilities.
- Facilitating development and investment interest in the Owens Illinois Plant property in coordination with other City departments, site ownership and owner representatives (District 5).

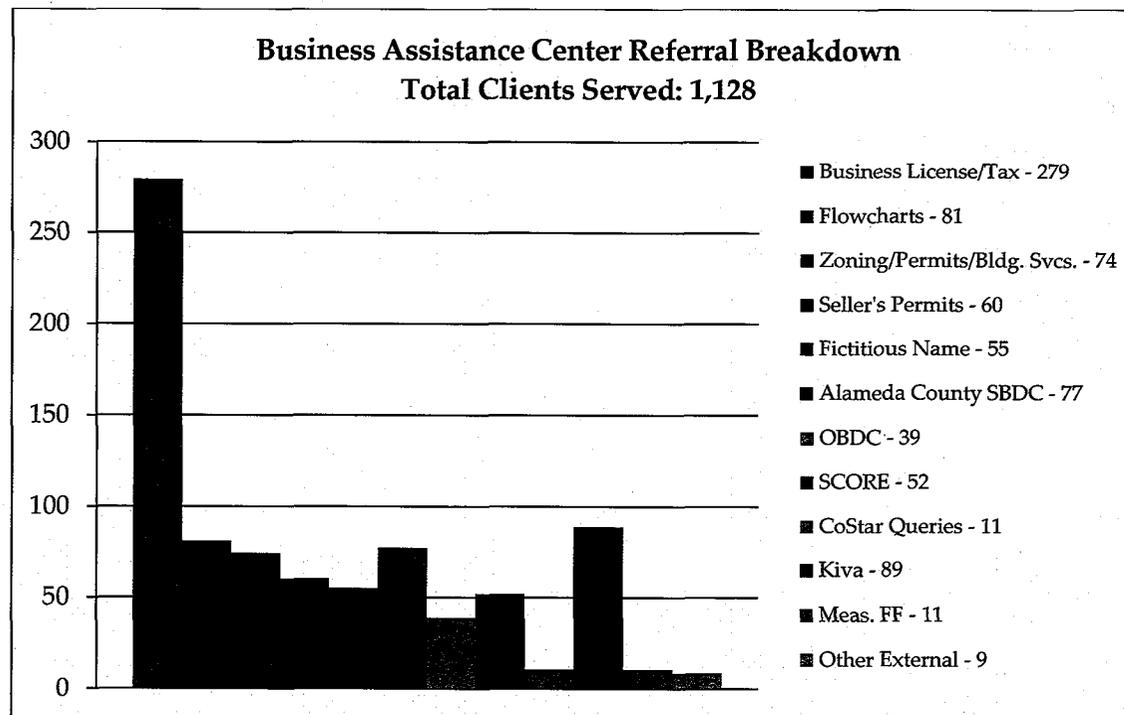
Economic and Workforce Development Department
Economic Development Unit
Activities Report for January-March 2016

- Facilitated redevelopment opportunities: Parkway Theater, Lake Merritt Bakery marketing, Chinatown properties (District 2).
- ED Staff participated in Champion Street NODO development (District 4); Fairfax neighborhood tour/meetings (District 4).
- Coordinated Eastmont Town Center ownership project, facilitating development of the MacArthur Business Association with information regarding the business improvement district formation process (District 6).
- TechHire: City helped sign on 25 Oakland-based and East Bay employers as participants in the East Bay Tech Hire Initiative, a proposal to expand the tech career pipeline for underserved Oakland and East Bay youth.
- Startup in Residence (STIR): the Economic and Workforce Development Department hosted an innovative procurement process, with the San Francisco Mayor's Office of Innovation and Cities of San Leandro and West Sacramento, to allow startups to respond to civic challenges developed by City of Oakland departments. Startups will spend four months in a pro bono residency with extensive expert support to co-create digital service delivery solutions with Oakland city staff.
- Startup In a Day: Economic Development staff worked with the Digital Front Door team and Code for America to create a new online portal for businesses that combines the licensing, permitting, and support services in one digital interface. The new portal is under construction with a soft launch that occurred during Oakland Small Business Week.
- Provided comments and reference information to City Administrator Office staff documenting the probable impact of passage of the proposed cannabis zoning and regulation ordinance on overall industrial rents, and on non-cannabis industrial businesses.
- Secured \$56,000 in Broadway Shuttle private sponsorships from the Downtown and Lake Merritt Community Benefit Districts, and the Jack London Improvement District.
- Economic Development staff helped form the Embarcadero Cove Business Alert in collaboration with PWA, OPD, Coast Guard, and area businesses. Addressed issues regarding abandoned and blighted boats, abated vagrancy, and mitigation strategies regarding the impacts of homeless encampments and reported crime (District 5).

Economic and Workforce Development Department
 Economic Development Unit
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- City of Oakland recently endorsed 15 more Kiva Zip loans for Oakland small businesses, bringing the City endorsed total to 40. \$88,425 in loans ranging from \$2,500- \$10,000 were disbursed to 11 Kiva Zip loan recipients.
- The Business Assistance Center conducted five Kiva Zip Workshops.
- Business Assistance Center (BAC) Legal Clinic: the monthly clinic, staffed by pro bono attorneys from the Bay Area's top legal firms, provides free legal advice to small businesses in the form of 30-minute individual consultations in English, Spanish, Vietnamese and Chinese. For the first quarter of 2016, a total of 82 clients attended.

Business Assistance Center Statistics
 January - March - 2016



Economic and Workforce Development Department
Economic Development Unit
Activities Report for January-March 2016

Special Project and Event Highlights

- Assisted in coordination of the Oakland Kiva City launch event, co-hosted by the City of Oakland and held at the Oakland Museum on March 16, 2016. Close to 1,000 attendees.
- Organized table at the 4th Annual East Bay Innovation Awards, hosted at the Fox Theater and featuring four Oakland finalists in the Food (winner Core Foods and OCHO Candy), Education (Hack the Hood), and Information Technology (Clef) categories.
- TechEquity Week February 23-March 3rd: Oakland hosted the nation's first Tech Equity Week, sponsored by the City and convened by Oakland firm Qeyno Labs with the Rainbow Push Coalition, Oakland-based Alliance for Community Development and Tech Equity Collaborative. Events included the Capital Connections Conference, Hacking Housing competition co-hosted by Kapor Center and SPUR, and the 2.Oak/ReadySet panel "Broadening the Pipeline: Strategies for Diversifying Your Workforce." United Roots, Pandora, Uptima Business Bootcamp, and the My Brother's Keeper student hackathon were also part of the program.
- Participated in working meeting with Code for America fellows regarding developing more comprehensive and friendlier new business online portal.
- Supported the creation of the Oakland Business Improvement District (BID) Alliance, the association of the eleven Oakland BIDs to help facilitate better coordination between business and property owners, and the City of Oakland.

Employment

Unemployment Rate

5.3%

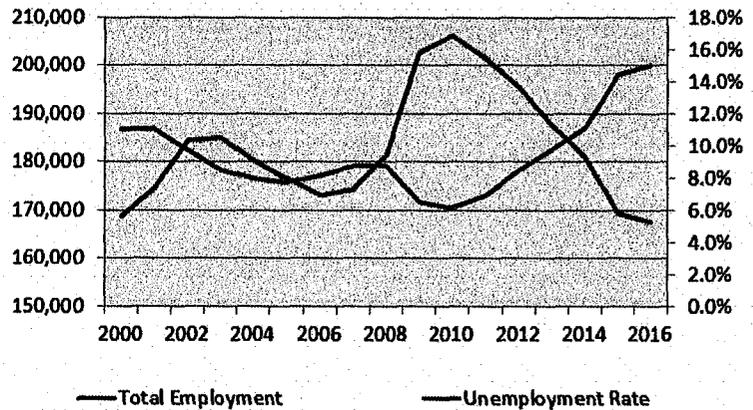
Last Year: 6.3%

Employment

200,200

Last Year: 196,300

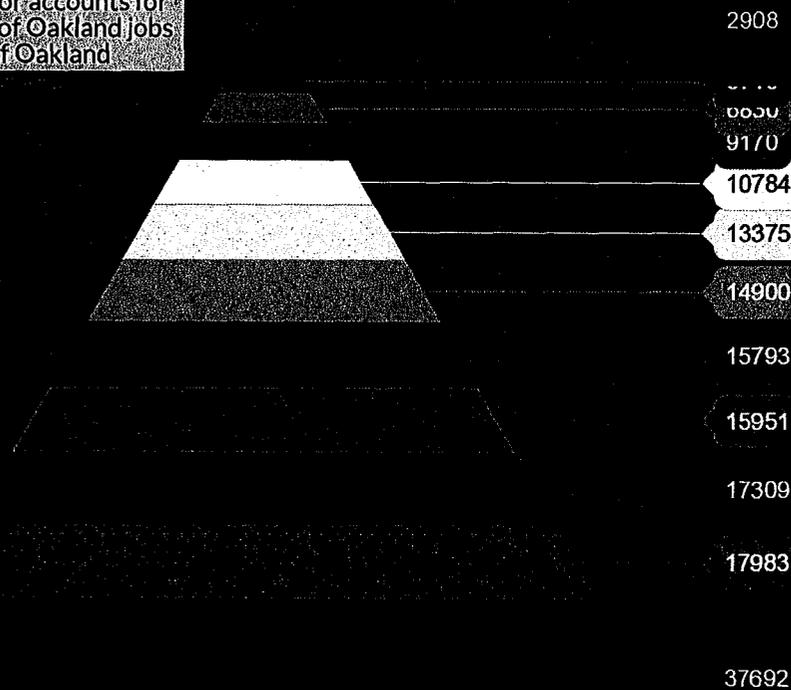
Oakland Employment and Unemployment Rate 2000-2016



2015 Jobs by Industry Sector

Did you know?

The Health Care and Social Assistance sector accounts for more than 20% of Oakland jobs and 50% of Oakland



Industry Sectors, Listed by Size

- Health Care & Social.. (21%)
- Transportation & Logistics (10%)
- Retail & Wholesale Trade (10%)
- Education (9%)
- Other (9%)
- Accommodation and Foo.. (8%)
- Professional, Scient.. (7%)
- Administrative Suppo.. (6%)
- Public Administration (5%)
- Manufacturing (4%)
- Construction (4%)
- Arts, Entertainment.. (2%)
- Finance & Insurance (2%)
- Information (2%)
- Real Estate, Rental .. (2%)

Source: State Employment Development Department, Q2 2015.
Other Services includes Agriculture, Mining, and Management of Companies

Quarterly City Revenues



Sales Tax
\$11,693,488
(Q4 2015)



Real Estate Transfer Tax
\$19,634,815



TOT Tax (Hotels)
\$5,113,753

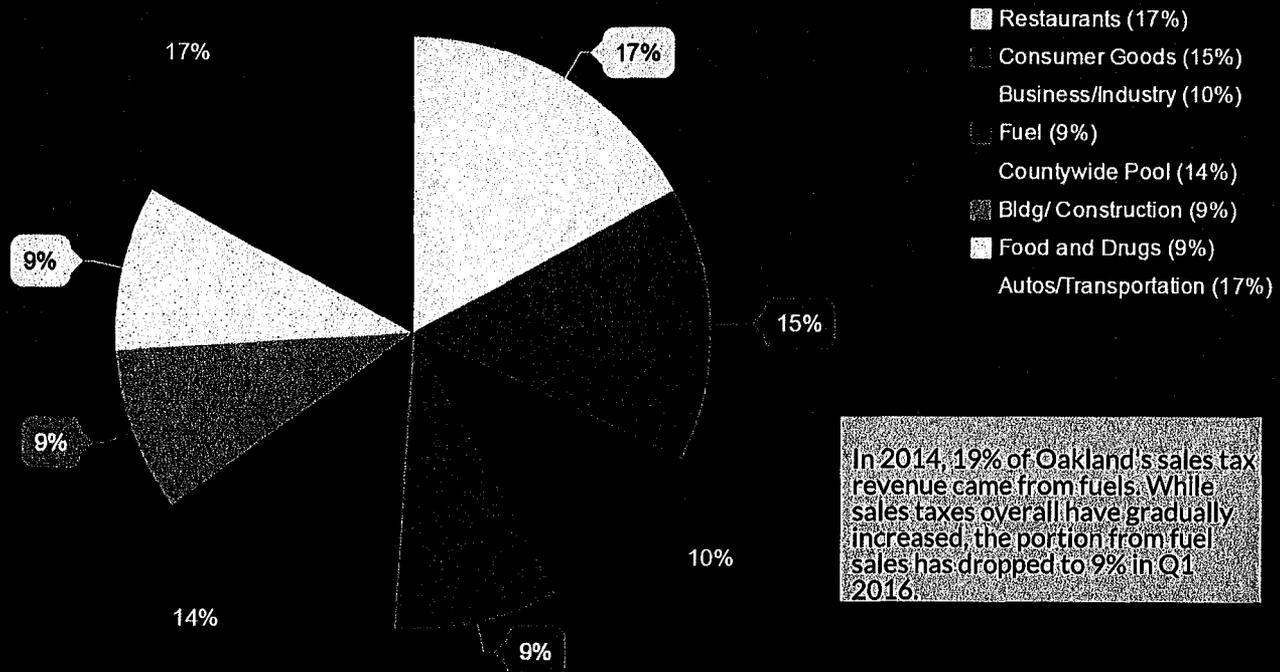
City Revenue Streams, 2013-2016



Real Estate Transfer Taxes and Transient Occupancy Taxes, which are based on hotel occupancy, have been rising overall for the last few years. Sales taxes are also on the rise, but recent gains have been offset by the low cost of fuel.

Due to the time needed for state collection and analysis, Sales tax reporting received this quarter reflects spending during the previous quarter (Q4 2015.) Additional City Revenue sources, such as Business and Property Tax, are reported annually at the close of the Fiscal Year.

Sales Tax Revenue by Source

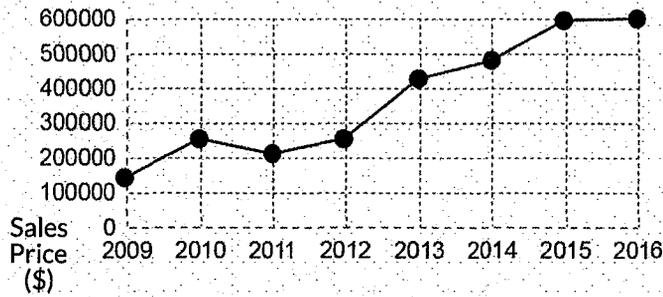


In 2014, 19% of Oakland's sales tax revenue came from fuels. While sales taxes overall have gradually increased, the portion from fuel sales has dropped to 9% in Q1 2016.

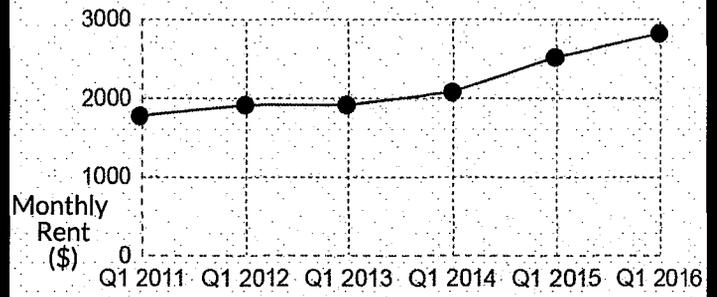
Sources: City of Oakland Revenue Department, HdL Companies

Residential Real Estate

Median Single Family Home Price



Monthly Rent Index



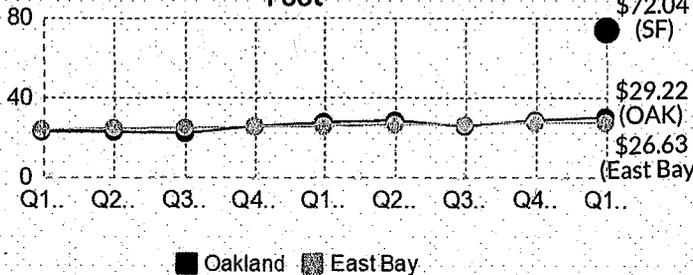
Commercial Real Estate

Industrial Vacancy: 2.9%
Rent/square foot: \$8.25
East Bay: 4.9%, \$9.68

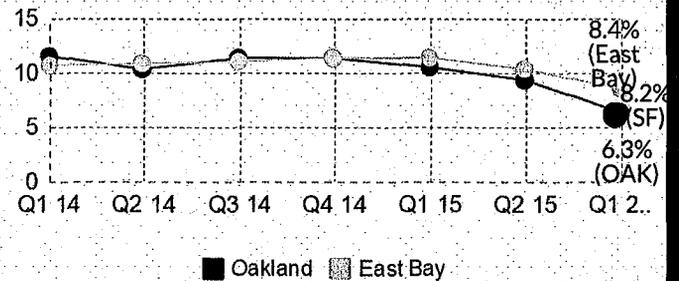
Office Vacancy: 6.3%
Rent/square foot: \$29.22
Downtown: 4.9%, \$37.04
East Bay: 8.4%, \$26.63

Retail Vacancy: 2.9%
Rent/square foot: \$29.62
East Bay: 3.6%, \$24.00

Office Average Rents/Square Foot

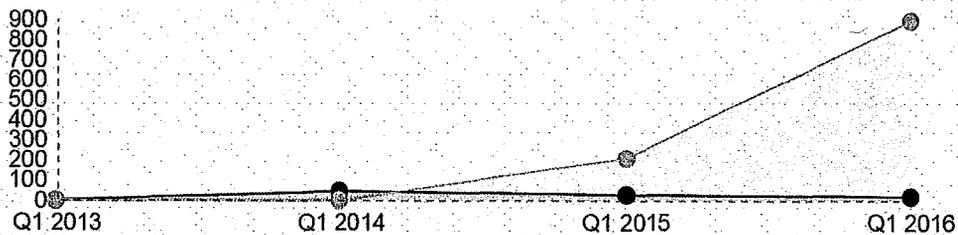


Office Vacancy Rates



Building Permits

■ Single Family
■ Multifamily Units



Development Pipeline

Per the April 2016 Major Development Projects List



17,231 Units in Pipeline
1,900 Units Under Construction
10,323 Units Approved



3,388,495 Square Feet in Pipeline
695,591 Square Feet Under Construction
2,368,187 Square Feet Approved

Sources: Hot Companies, Zillow, CoStar Market Analytics, City of Oakland Planning & Building Department.
Dashboard Compiled by Economic and Workforce Development Department. Contact: mrayo@oaklandnet.com



Oakland Economy Now - Vol. 20 May 2016

City of Oakland sent this bulletin at 04/29/2016 11:11 AM PDT



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OAKLAND BUSINESS

Small Business Week May 1 – May 7 Packed with Free Workshops, Resources and Events

Get ready for an Oakland Small Business Week befitting our vibrant business community. Here's the week's lineup of free workshops and events:

Sunday: [Kiva Oakland Pledge Drive](#)

Monday: [Access to Capital Lenders Fair & Opening Reception](#)

Tuesday: [Digital Solutions & Worker Owned Co-ops](#)

Wednesday: [Diversity in Entrepreneurship](#)

Thursday: [Artists & Makers Workshops and Mixer](#)

Friday: "[Healthy Business, Healthy Communities](#)" closing reception with Congresswoman Barbara Lee and US SBA Administrator Maria Contreras-Sweet. Includes a VIP tour of [Revolution Foods](#) with food industry leaders.

Saturday: [Shop Local in Participating Neighborhoods](#)

[Click here](#) for the full program and partners.

RESOURCES

Need help for your business? [Contact us!](#)

[Business Assistance Center](#)

[Zoning & Permits](#)

[Quarterly Economic Dashboard](#)

[Minimum Wage & Employment Laws](#)

[KivaZip Oakland](#)

[Foreign Trade Zone](#)

HONORED BUSINESSES

Congratulations to the following businesses, who will be recognized during Small Business Week:



NATIONAL SMALL BUSINESS WEEK

Oakland is for Readers: Independent Bookstores Thriving

Marcus Books has been in Oakland for 56 years; Book/Shop in Temescal Alley for three. The six bookstores on Piedmont Avenue call themselves "The Bay Area's Biggest Book Row," with more than 100,000 books among them. Oakland's independent book store cluster is only growing – and offering exciting programming to nurse Oaklanders' literary love. The Octopus Literary Salon offers nightly events, food and wine with their books, while E.M. Wolfman on 13th Street has an art exhibit, "Inner Cities," exploring our psychological connections to place and cities. On Saturday, May 22, celebrate book culture at the Oakland Book Festival, featuring 200 writers and 60 events at City Hall.

Northern CA Emerging Business of the Year
Nona Lim

Legacy Businesses
Dreisbach Enterprises
Marcus Books
McGuire and Hester
Otaez Mexicatessen
Vien Huong Restaurant

Council Recognition
Park Street Burger
Oasis Food Market
Beast Oakland
Kingdom Builders Thrift and Furniture Store

UPCOMING EVENTS

Independent Bookstore Day
April 30 @ Multiple Locations

Oakland Small Business Week
May 1 – 7 @ Multiple Locations

Bicycle Career Day
May 7 @ 81st Avenue Library

Vator Splash Spring
May 12 @ Scottish Rite Center

Oakland Indie Awards
May 12 @ Oakland Museum

OAKLAND IN THE NEWS

Oakland's food-and-wine scene reflects the city's unrivaled hipness
April 22, *East Bay Times*

Vator Splash Back in Oakland to Host Tech Influencers, VCs
Entrepreneurs on May 12
April 19, *Busbyway.com*

Construction and engineering giant fills Oakland's last big office

inner cities

5.2-5.31.16



kelly o'leary
astrod kaammerling
anna rotty
emmanuel sewfa
lizzy brooks

E.M. Wolfman
410 13th st.

People's Community Market Purchases West Oakland Location

Advancing their vision for a full-service food market, cafe, and social hall in West Oakland, People's Community Market has secured 3103 Myrtle Street to build a grocery store designed for the neighborhood. People's goal is to make Oakland's food scene inclusive and to bring healthy food options to West Oakland. Other local organizations contributing to the project include Cutting Edge Capital, who supported fundraising through a Direct Public Offering, East Bay Asian Local Development Corporation, Lowney Architecture and St. Matthew Missionary Baptist Church, who will rent their parking lot to the market. The store is planned to open in 2017.

vacancy

April 15, *San Francisco Business Times*

Oakland drawing more tech startups

April 10, *East Bay Times*

New proposed Oakland hotel could sate some downtown visitor demand

April 7, *San Francisco Business Times*

Startup correction hits S.F. funding in Q1, but Oakland investment soars

April 6, *San Francisco Business Times*

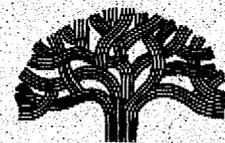
Huge Oakland development site next to BART nears sale

March 31, *San Francisco Business Times*

Sneak peek: Oakland's new Highland Hospital tower

March 25, 2016, *San Francisco Business Times*

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ARTS

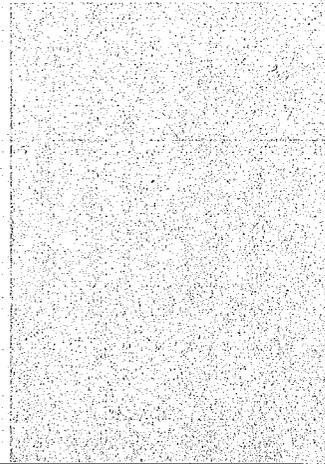
Rainin Foundation Launches New Grant Program for Local Artists

The Kenneth Rainin Foundation announced a new arts program, Open Space, to fund up to four temporary public art projects with grants between \$50,000 and \$200,000 per project. The program aims to "engage communities, showcase artistic experimentation and energize public spaces." Oakland Mayor Libby Schaaf stated, "Programs like Open Spaces help ensure that the arts are supported and celebrated in Oakland." The foundation is accepting Letters of Inquiry between May 16 and June 30. Kenneth Rainin was the founder of East Oakland-based Rainin Instruments, one of Oakland's largest manufacturers.

REAL ESTATE

AECOM Bringing 600 Workers to Kaiser Center

The Bay Area's largest engineering and design firm, AECOM, has secured a major office lease in Downtown Oakland. AECOM is taking 120,000 square feet in the Kaiser Center at 300 Lakeside Drive. The new location, two blocks from BART with lake views, will bring together 600 workers currently at AECOM's two San Francisco locations and its current Oakland office at 1313 Broadway.



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