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OAKLAND

CITY OF OAKLAND

AGENDA REPORT

2009 MAR 11 PM 5:51

TO: Office of the City Administrator
ATTN: Dan Lindheim
FROM: Community and Economic Development Agency
DATE: March 24, 2009

RE: **A Progress Report on Implementation Activities To Date Associated With The Oakland Retail Enhancement Strategy**

SUMMARY

This report is an update on staff's activity since the January 6, 2009 City Council direction to implement a number of action items from the Oakland Retail Enhancement Strategy. Council directed that staff continue priority action on the Upper Broadway Retail Plan, and to target eleven retail support initiatives (*Attachment A*) in support of citywide retail development efforts.

FISCAL IMPACT

While this report contains many funding possibilities, there is no specific request, and thus no fiscal impact. The eleven action items will be incorporated into current staffing and budgets.

BACKGROUND

Oaklanders' desire for a mixture of national, regional and locally owned retailers has shaped the work of staff and the Conley Consulting Group. Comprehensive recommendations were prepared to address Oakland's "leakage" of potential retail sales to other communities, its relative lack of large retail opportunity sites, and its large number of underutilized existing shopping nodes.

The City Council adopted the Citywide Retail Enhancement Strategy and in January directed staff to focus efforts on the citywide retail retention, attraction and promotion programs that help foster retail development throughout Oakland, including particular focus on the Upper Broadway Retail Corridor.

Staff are planning and implementing each of the eleven activities as directed by the City Council. This work is in line with the goals of the Retail Enhancement Strategy and is supported by the renewed interest in urban living, and the trend toward mixed-use retail development. Oakland is well-positioned to capitalize on retail demand when the economic conditions are right.

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PROGRAM DESCRIPTION

At its January 6, 2009 meeting, the City Council prioritized the Broadway Retail Corridor and Grocery Store Initiative, and also directed staff to focus on the following retail program and activities that can assist with citywide retail development activities. The following is a brief summary of work completed to date.

Develop a large format store program

The Broadway Retail Corridor Specific Plan project will provide comprehensive property owner data and aerial photos for all parcels in the area. This information will be formatted for marketing purposes and will be downloadable. The same property information inventory will be developed for the I-880 Corridor. Staff are currently identifying address ranges for this effort.

Implement a Key Vacancy Program

Staff are identifying key areas and vacant locations for this program, and creating a comprehensive matrix of citywide locations. Staff has met several times with Redevelopment and Neighborhood Services staff, the Local Initiatives Support Corporation (LISC), the Oakland Merchant Leadership Forum (OMLF) and the nine Community Benefit Districts (CBDs) to seek input. The areas and locations with the most potential should have the following characteristics:

- At least one vacant lot and/or well-situated vacant storefronts of at least 2,000 square feet
- Have strong organizational capacity, such as a Community Benefit District, active merchant associations, Merchant Watch, and resident and/or Neighborhood Crime Prevention Council organizations
- Demonstrated ability to leverage prior/current/future City investments such as façade and tenant improvement grants, streetscape improvements and/or major developments

Retail Marketing/Retention Services

- New marketing materials will promote Oakland's retail opportunities. Staff are preparing for the next national International Council of Shopping Centers conference. Economic Development and Redevelopment staff meet every two weeks to determine ways to market Agency-owned as well as privately owned properties.
- Staff are assisting small to large Oakland retailers. Staff coordinates closely with OMLF and the CBDs on retailer retention and attraction efforts. Additional merchant watch groups will be developed, and CBDs and merchant associations will be trained in business assessment techniques and available support service resources to assist their member businesses.

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- An Oakland Restaurant Bootcamp 2009 event is being planned for July. Working with principals at Restaurant Bootcamp (www.restaurantbootcamp.com), this forum will bring together businesses related to the restaurant industry including real estate, kitchen supply, food industry specialists, and City staff who work with restaurant businesses. The Bootcamp features workshops on growing and starting restaurants, food tasting, and 100+ exhibitors serving the restaurant industry.

Establishment of Retail Support Teams

Staff is developing internal and external retail advisory groups. The internal group will be composed of economic development, redevelopment, building services, planning, public works, and police, fire, and City Administrator staff. The external advisory group will include representatives from local and national retail businesses, retail brokers, retail developers, consultants, designers, contractors and Oakland business leaders.

Retail Real Estate Acquisitions

The Redevelopment Agency recently purchased, is in the process of purchasing, or is negotiating for the following sites:

- 2777 Foothill Boulevard – a possible neighborhood serving retail use
- Foothill Boulevard & Seminary Avenue (multiple parcels) – possible site for a neighborhood center, including a drugstore
- 73rd Avenue & Foothill Boulevard – possible mixed use retail/City library development site
- 606 Clara Street + 9418 Edes Avenue – possible retail use
- 6775 Oakport Street – possible retail use
- 66th Avenue & San Leandro Street – purchased authorized; possible grocery store development

Upper Broadway Retail Corridor

The Wallace Roberts Todd Team has begun work on the Broadway Retail Corridor Specific Plan and Environmental Impact Report. Economic Development staff are providing data to the consultant team (including sales tax, property tax and business tax, and ownership information, recent projects, developer interest), participating in meetings and tours, and compiling the citizen participation roster.

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Grocery Store Initiative

One of the Oakland's over-arching goals is to bring five new grocery stores to the City. Staff is working with local and national grocery representatives to give them the most current information about opportunities in Oakland. One company is in escrow on a property in West Oakland and is seriously interested in another property in East Oakland. Another company has renewed its interest in Oakland and is looking at a number of sites.

SUSTAINABLE OPPORTUNITIES

The *Oakland Retail Enhancement Strategy* project supports the City's 3 Es: economy, environment and equity.

Economic: The overall goal of the *Oakland Retail Enhancement Strategy* is to identify retail gaps in order to reduce the \$10 million sales tax leakage to locations outside Oakland. This will retain sales tax revenue for the City of Oakland, making it available to provide additional services and programs.

Environmental: The *Oakland Retail Enhancement Strategy* has identified ways to fill the City's retail gaps to reduce the amount of shopping Oaklanders do outside of Oakland. When City residents can shop closer to home, they will not travel as far, thereby using their cars less. Given the goal of increasing retail in Oakland and given the high land prices locally, the *Strategy* is consistent with Smart Growth principles, as it seeks to help Oaklanders shop closer to home. Low density suburban style retail development is not feasible. No particular environmental opportunities have yet been identified in the context of the Specific Plan, but any future environmental review as part of this process will inform future City actions concerning clean up of contaminated areas, green building, and green business locations.

Social Equity: Growing the retail base in Oakland will provide increased employment opportunities and promote self-employment/entrepreneurship opportunities for Oakland residents. No particular social equity opportunities have been identified in the context of the Specific Plan due to the preliminary stage in the planning process. However, it is likely that land use and public improvement discussions during the Specific Plan process would include pertinent topics such access to public parks and open space, and clean up of contaminated soils and groundwater due to past industrial activities.

DISABILITY AND SENIOR CITIZEN ACCESS

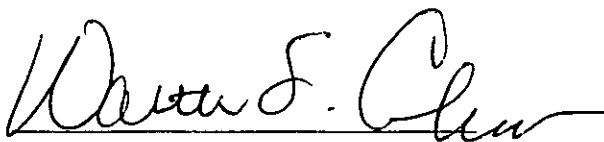
New and enhanced retail in Oakland will ultimately make it easier for seniors and the disabled to shop, dine out and seek entertainment.

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ACTION REQUESTED OF THE CITY COUNCIL

Staff recommends Council approve this progress report on implementation activities to date associated with the Oakland Retail Enhancement Strategy.

Respectfully submitted,



Walter S. Cohen, Director
Community and Economic Development Agency

Reviewed by:
Gregory Hunter, Deputy Director
Economic Development & Redevelopment

Prepared by:
Keira Williams, Urban Economic Analyst
Ben Weber, Urban Economic Analyst
Aliza Gallo, Business Development Services Coordinator

**APPROVED AND FORWARDED TO THE
COMMUNITY AND ECONOMIC DEVELOPMENT COMMITTEE:**



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Attachment A

The retail support initiatives, as directed by City Council at its meeting of January 6, 2009:

1. A large format store program
2. A key vacancy program
3. A consumer-oriented marketing campaign
4. A retail working group
5. A retail cabinet
6. An annual retail report to Council
7. Analysis of site locations for auto dealerships, including an evaluation of schools and churches in major thoroughfares.
8. Retail retention
9. Restaurant marketing
10. Land banking
11. Nurturing new retail areas

(Legistar No. 07-1175)

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