

**CITY OF OAKLAND**  
**AGENDA REPORT**

FILED  
THE CITY CLERK  
OAKLAND  
2008 MAR 13 PM 7:05

TO: Office of the City Administrator  
ATTN: Deborah A. Ederly  
FROM: Community & Economic Development Agency  
DATE: March 18, 2008

RE: **A Supplemental Report on the Report and Resolution Authorizing a Professional Services Agreement for FY 2007-2008 in an Amount Not to Exceed \$300,000 with the Oakland Commerce Corporation for Ongoing Business Retention and Expansion Services to Businesses in Oakland and Operation and Management of the Business Alert Crime Prevention Program in the Coliseum Area; and Authorizing An Amount Not to Exceed \$9,000 (3%) for Contract Compliance Monitoring Costs**

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**SUMMARY**

This Supplemental Report responds to the Community and Economic Development Committee's request of March 11, 2008, to provide the total number of OCC staff members; and how their tasks are different from the CEDA staff tasks.

**KEY ISSUES**

The Oakland Commerce Corporation provides direct support to Oakland businesses as a necessary and complementary adjunct arm of the CEDA Economic Development Division. OCC staffing is:

Executive Director (ED)	1.0 FTE
Economic Development Specialist (EDS)	1.0 FTE
Management Services	0.5 FTE

The ED has multiple responsibilities: (i) oversight of the organization; (ii) assigning the workload of the EDS; (iii) communications with the City; (iv) prioritizing specific business interventions, programs or event planning; (v) participating in specific City-led projects (e.g., the Business Support Providers initiative); (vi) participating at trade or association meetings, including Oakland Merchant Leadership Forum and Lake Merritt Business Association; and (vii) identifying city and non-city resources required for effective assistance. The ED also takes the lead on major business retention efforts (e.g., Eagle Bag, Mothers Cake and Cookies, Gatorade, etc.).

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The EDS is an active, on the ground, participant in the implementation of the annual survey(s)-dissemination and follow-up, and reports on a bi-weekly basis to relevant City Business Development Services (BDS) staff on joint efforts to help specific businesses.

The Administrative Manager (part-time) is responsible for all the OCC accounting, provides noticing of meetings (e.g., CCCAC, BizAlert, etc.), and maintains mailing and contact lists. The Administrative Manager compiles the results of the surveys and provides survey results to staff.

The OCC provides an outreach arm for the City's BDS unit. BDS currently consists of staff in four area disciplines (Office, Retail, Industrial, Green Industry), plus an Urban Economic Development Coordinator, the Enterprise Zone Manager, the Business Improvement Districts Specialist, two other Area Specialists, and three administrative support staff, for a total of 10 FTE staff positions.

The purpose of the BDS program is to increase investment in Oakland in a way that contributes to the prosperity of businesses, the City of Oakland and all its residents. BDS currently implements its work through the lens of "Five Sectors" (International Trade, Office, Industrial, Retail, and Green) as well as Specific Efforts (BID program, the Workforce program, limited now to the Enterprise Tax Credit Program). The Department works in coordination with the Oakland Partnership program of the Mayor and the Chamber of Commerce, and individual staff monitor the respective cluster groups.

The Department conducts its activities through four broad means:

- Product Development (enabling of a business-friendly environment through infrastructure support, site searches, workforce development referrals, referrals to sources of capital, etc.)
- Marketing (communicating the advantages of investing and doing business in Oakland)
- Brokering (facilitating successful deals that benefit buyers, sellers, the City and its residents)
- Customer Relationship Management (developing and maintaining good relationships with businesses, investors and other stakeholders)

BDS staff are usually the point of first contact for established businesses seeking to locate, expand, or relocate to Oakland. They also respond to existing business inquiries about various city regulations and processes, aiding investors in commercial real estate with their knowledge of the local market, opportunity sites, and the other major programs of the City, as well as improvement projects already planned for various City areas. Staff interface with company real estate brokers, and provide assistance in the transaction process. Details of specific actions related to these four principal activity types will be included in the June 24<sup>th</sup> CED Report regarding the RFP for a professional services contract for external business support services.

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It is important to note that there is a constant referral process between OCC and city BDS staff. In many cases BDS staff refer companies to OCC. Similarly, OCC makes referrals to BDS, when appropriate.

Staff maintains that the above-described City-led business retention and expansion program needs to be supported through an additional outside contract. The work of OCC is complementary to staff's work. Some functions of service are better executed internally (including high-level attraction efforts, negotiations regarding level of city support for a project, internal development permit processing support) while other work is most effectively done by an outside contractor like OCC; which includes daily contact with businesses and follow up to immediate interventions on commercial security, dumping and blight; as well as the organizing of business group meetings such as the Biz Alert program, the Coliseum Commerce Center Advisory Group, the Coliseum Construction Corridor and West Oakland Economic Development Working group. As an organization located within the business center (not downtown) OCC is readily available to react "on the ground" and has many more hours per day to dedicate to street-level interventions.

A major reason Oakland Commerce Corporation has been retained on contract for so many years is its long term relationship with many local businesses, particularly in the industrial area. It is through these relationships of trust that they are able to obtain relevant information, which otherwise would be internal to the company, regarding network suppliers, local employment, etc. This is essential to helping such companies when internal or outside market factors put such companies' operations at risk.

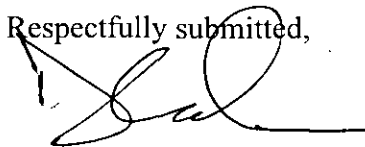
While staff made significant advances to its "on the ground" presence in the past three years, the demands of companies employing up to 27,000 jobs in Oakland (private non-Port industrial jobs per 2004 Employment Development Department data) are greater than can be handled by staff alone. When major companies are at risk, the Private Industry Council, OCC and the City staff have had to engage in considerable efforts, first to defray the immediate impact of company closures, and often at best, help the company's small local suppliers and employees in the departure of such contracts and jobs. Again, this work could not be handled by city staff alone, without considerably compromising other business needs and inquiries for assistance BDS receives each day.

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**ACTION REQUESTED OF THE CITY COUNCIL**

Receive this report and adopt the resolution authorizing the City Administrator to approve a one year contract for Oakland Commerce Corporation in the amount of \$300,000 for the fiscal year 2007-2008 commencing July 1, 2007 and ending June 30, 2008.

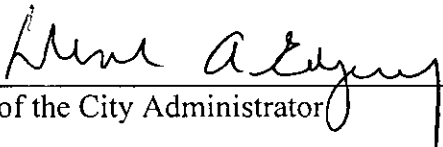
Respectfully submitted,



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Dan Lindheim  
Director  
Community & Economic Development Agency

Prepared by:  
Margot Lederer Prado, AICP Industrial Specialist  
Business Development Services, CEDA

APPROVED AND FORWARDED TO THE  
CITY COUNCIL:

  
\_\_\_\_\_  
Office of the City Administrator

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