



FILED
OFFICE OF THE CITY CLERK
OAKLAND

2014 DEC -4 PM 2:20 **AGENDA REPORT**

TO: HENRY L. GARDNER
INTERIM CITY ADMINISTRATOR

FROM: Rachel Flynn

SUBJECT: Economic Development Quarterly Tracking Report **DATE:** November 21, 2014

City Administrator
Approval

Date

12-1-14

COUNCIL DISTRICT: City-Wide

RECOMMENDATION

Staff recommends that the City Council accept:

An Informational 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 covers the period from July 1 to September 30, 2014. It responds to the Community and Economic Development (CED) Committee's request for a standing quarterly report to track economic development activities and actions regarding the preparation of the Oakland Economic Development Strategy.

For questions regarding this report, please contact Aliza Gallo, Economic Development Manager, at (510) 238-7405, or Zach Seal, Economic Development Specialist at (510) 238-2937.

Respectfully submitted,

Rachel Flynn, Acting Director
Economic and Workforce Development Department

Prepared by:
Aliza Gallo, Economic Development Manager
Zach Seal, Economic Development Specialist
Economic Development Division Staff

Attachment A: Economic Development Staff Activities, 3rd Quarter (July-September) 2014
Attachment B: Economic Development Indicators, 3rd Quarter (July-September) 2014

Item: _____
CED Committee
December 16, 2014

Attachment A: July-September (3rd Quarter) 2014 Economic Development Activities Summary

The Economic Development Division of the Economic & Workforce Development Department is responsible for business recruitment, retention and expansion. The Division work includes a special focus in the following sectors: Clean & Green Tech, High Tech, Retail Development, Industrial Development & Manufacturing, Health Care and Trade & Logistics. The Division manages the following programs: Business Improvement Districts/Community Benefit Districts, Business Assistance Center, Tax Incentive Program, Recycling Management Development Zone, Enterprise Zone & State Tax Credit Programs, Broadway Shuttle, Broadway Circulator Study, International Trade Program and the Oakland Foreign Trade Zone. In addition, the Division leads, participates and represents the City of Oakland in national, state and regional economic development efforts. Economic Development staff also works closely with other City staff to deliver business development services, and provide informational and referral assistance.

Company	Sector	New Business/ Expansion/ Retention/ Out-Migration/ ED services	Location	# Employees (Range)	Notes
ABI Foundry	Manufacturing	Promotion	East Oakland	75+	Engagement in National Manufacturing Day- promotion.
Antiques & Modern	Antiques retail (warehouse)	Retention	North Oakland/ Lowell St	6	Helping company in industrial residential truck conflicts in a mixed-use area of North Oakland. Interfaced on behalf of business with resident, and with PWA and Engineering Services.
Bacchus	Food Production	Attraction	West Oakland	40	Worked with entrepreneur / developer on multi-tenant food production complex in WO.
Blank and Cables	Architectural Fabrication	Expansion, new secondary custom manufacturing	2905 Chapman St	5-12	Transaction occurring that would revitalize long time dormant brownfield industrial site near the waterfront.
Blue Heron	Food Production- Catering	Relocation	East Oakland	20	Site Search and assistance with loading zone, etc.

Attachment A: July-September (3rd Quarter) 2014 Economic Development Activities Summary

Blue Sprout	Hardware Accelerator	Attraction	Embarcadero Cove	4	Promotion activities.
Brite Hub	Manufacturing Tech Assistance	Attraction	Jack London	4	Helped with coordination for National Manufacturing Day activities and introduction to Oakland Makers.
Building Robotics	Green & Cleantech	New business/ Startup	360 17 th Street	8	UC Berkeley hatched startup is new member of Oakland's "Negawatt Alley" energy efficiency cluster, employing eight to deploy "Comfy" bldg. zone temperature optimization system; funded by locals Claremont Creek Ventures and Peter Rumsey, along with Google and others.
Cat Town	Retail	New business	2869 Broadway	1-10	First ever café + cat adoption center in the U.S. Much publicity. Opened in September 2014.
Center for Sustainable Energy	Green & Cleantech	New business/ branch expansion	426 17 th Street	10	Robust, San Diego-based clean energy policy and training non-profit is the most recent tenant in the Sfun Cube clean energy incubator, starting with 10 employees.
Costco Stores	Retail	New business	TBD	200	
EB Maker Faire	Light Manufacturing	Expansion	North Oakland		Assisted EB Mini Maker Faire with City sponsorship and promotion through Oakland Makers.
Energy Solidarity Cooperative	Green & Cleantech	Expansion	339 15 th Street	5	Provided letter of support for ESC's U.S. Dept. of Energy Solar Market Pathway grant proposal, which seeks to deliver access to community solar in lower income segments here in Oakland and the East Bay.
Fearless Chocolate	Food Production	Attraction of a new company by Fearless founder	West Oakland or Jack London	3-5	Seeking new site for new company launch.

Attachment A: July-September (3rd Quarter) 2014 Economic Development Activities Summary

Geneva Growers	Cold Storage/ logistics	Relocation within existing neighborhood	26th St. and Wood St.	30	Acquisition of bare land and permits for new construction of warehousing for specialty (produce, marine) products by local existing company. Helped with BNSF negotiations, city permits, local community interface.
GoldieBlox	Manufacturing	Expansion	Embarcadero	35	Office site search. Site visit and meeting. Possible ground floor retail space on Broadway below relocated office HQ.
Happy Hound	Doggie Day Care/Animal Boarding and care	Relocation of existing WO business	Mandela at 20th	40	Worked for past year with Happy Hound on various sites for relocation and expansion of existing pet day care. Advised on planning issues to anticipate, design review, permits, and introductions to local property owners.
JD Services	Green & Cleantech	New business	745 Kevin Court	7	Construction materials recycling company purchasing a site in East Oakland to provide additional capacity for byproducts of development, in support of City's Zero Waste policy.
Just Desserts	Food Production	Retention discussion Business License	550-85 th Avenue	65+	Discussion with new CFO about site sale, etc.
Kapor Center/ Kapor Capital Impact Fund	Tech	ED Services	2201 Broadway, Suite 725	25-49	Coordination on creation of an Oakland Tech Industry Task Force and ideas for events to support the growing Oakland Tech Ecosystem.
MOxy	Industrial Arts Complex	Attraction New Business	23 rd Avenue Jingletown	6+ 8-12 new businesses	New industrial arts complex with open gallery space and accelerator assistance in e-marketing and grant writing. Introduction to Oakland Makers, discussed land use zoning and permits. Introduction to neighboring business.
NationBuilder	Tech	Expansion	Port Workspaces	100-499	LA-based tech company that creates platforms for political campaigns, advocacy, and community organizing is opening an Oakland office.

Attachment A: July-September (3rd Quarter) 2014 Economic Development Activities Summary

Octillion	Manufacturing	Attraction	Jack London/ West Oakland	12	New site location for Silicon Valley firm.
Philz Coffee	Food Production	Attraction	East Oakland	12	New warehouse location for roasting. Introductions to services and local providers such as Manex.
ReThink Green	Green & Cleantech	Retention and/or expansion	8717 G Street	20	Pioneering carpet recycling company lost its lease at the listed address and is seeking alternate sites for part or all of its expanding business, and also seeking Recycling Mkt. Dev. Zone financing.
ScarePro	Special Event	Attraction	West Oakland	35	Seasonal haunted house, helped with location searches, supplies and introductions.
Schnitzer Steel	Manufacturing	Promotion	West Oakland	75+	Engagement in National Manufacturing Day.
Soundwave	Music Studios	Expansion	West Oakland	6	Advising owner in his phasing in of new Music Hall activity, already approved with a CUP.
Start Ups (Various)	Tech	Expansion	Various	1-5	Staff is meeting with local and international start-ups to inform them about city services and identify potential Oakland locations, usually for their first offices
Uptown grocery store/deli	Retail	New business	TBD	10-50	
Urban Farms	Food Production	Attraction	West Oakland	25	Site Search.
VSCO (Visual Supply Company)	Tech/ Creative	Relocation/ Expansion	1500 Broadway	50-99	Coordinating on plans to include art/photo gallery & café at downtown HQ location.

TOTAL

890-1,664

¹Ranges provided in response to sensitivity among some companies about publicizing business information.

Q3 2014 State Tax Incentive Program Activity

<p># Vouchers Issued (Current State Enterprise Zone Tax Credit Program)</p>	<p>Current Enterprise Zone Hiring Vouchers for eligible hires through December 31, 2013 for companies located in previously designated EZ Zones is effective until December 31, 2014.</p>
<p>California Competes Tax Credit Program: Governor’s Economic Development Initiative (2nd Statewide round \$45 million available)</p>	<p>As of the October 27, 2014 application deadline, GO-Biz received 286 applications with a combined tax credit request of \$329 million. GO-Biz will evaluate the most competitive applications based on the factors required by statute, including total jobs created, total investment, average wage, economic impact, strategic importance and more.</p>

Q3 2014 Strategic Initiatives & Economic Development Program Highlights

Oakland Business Promotion:

- Oakland fared extremely well in the national Initiative for a Competitive Inner City (ICIC) competition, with local firms Revolution Foods, Fathom, Premier Organics, Oaklandish, ArcSine, Blaisdell’s Business Products and Veronica Foods all selected among the top 100 fastest growing inner city businesses in the country. The City itself also received the “ICIC 2014 Nominating Partner of the Year” award for putting forth such outstanding and diversified candidates during the ceremony in Boston.
- Similarly, Economic Development staff nominated 16 outstanding firms across nine categories for the annual East Bay Economic Development Alliance (EBEDA) Innovation Awards, and recently learned that six Oakland companies will be among the finalists (across 9 categories) for this February 2015 event, with Clorox already announced as this year’s winner of the prestigious Legacy award.
- Renewed our nearly decade long relationship with the Chinook Book, which promotes small and independent businesses offering green, local, and organic products in Oakland and the greater East Bay, and also promoting local commerce partner Oakland Grown.

Attachment A: July-September (3rd Quarter) 2014 Economic Development Activities Summary

- Staff participated in the Registry Panel on Development Opportunities in Eastbay Cities.
- Continued participation in Urban Land Institute Daniel Rose Center for Public Leadership.
- Conference Sponsorships for the Alliance for Community Development; Digital Arts & Literacy Center; Oakland Kiva Zip Program events to promote small business development.
- Staff participated on panel: “Cities and the Shared Economy” at San Jose State University.
- Staff participated in design, outreach and presentation for the Oakland Disaster Resilience Public-Private Partnerships Forum.

Oakland Business Retention Programs:

- Convened Public Works Transportation Services, Oakland Police Traffic Division, and Port of Oakland staff for discussion of issues including current operation and potential expansion of the heavyweight truck route.
- Worked to support repair of KONO Business District office windows in the wake of August 15 vandalism related to downtown Oakland protests in response to events in Ferguson, Missouri.

Oakland/Berkeley Recycling Market Development Zone (RMDZ) Program:

- Following completion of major outreach project touching 45 key recycling-based firms in Q2 of 2014 began outreach with site visits to Commercial Waste and Recycling, Asphalt Shingle Recyclers, and Concrete Works with RMDZ program staff from the state’s CalRecycle program.
- Met with Environmental Services staff and reps from Recycled Aggregate Products Company (RAPCO) to explore innovative closed loop pavement recycling potential for the upcoming International Blvd. BRT project.

Oakland Foreign Trade Zone Program:

- Launched the expansion of the Trade Zone Program to the new Alternate Site Framework.
- Published article in Oakland Business review on Trade Zone Program.
- Prepared and processed consultant contract.

Oakland Makers:

- Held Quarterly Meet Up.
- Sponsored Oakland Makers booth at EB Mini Maker Faire.
- Held meetings with Laney College.
- Secured sponsorship from Community Bank of the Bay for website development.
- Processed consultant contract for OM through June 2015.

Attachment A: July-September (3rd Quarter) 2014 Economic Development Activities Summary

Broadway Shuttle:

- The B Shuttle is set to expand its weekday service hours by three hours, from an end time of 7pm to 10pm, using a \$723,000 Lifeline Transportation grant secured by economic development staff. The service expansion is tentatively scheduled to begin on December 8, and had been requested by downtown and Jack London merchants, and commercial and residential property owners.
- Economic Development staff secured a \$229,173 Bay Area Air Quality Management District grant to support B Shuttle operations in 2015.
- Economic Development staff secured a commitment of \$20,000 from the newly formed Jack London Improvement District to support on-going shuttle operations.
- The B Shuttle averaged 2,794 daily weekday passengers (Monday-Friday 7am-7pm) and an additional 1,242 riders each weekend (Friday 7pm-1am and Saturday 6pm-1am) during the June-September 2014 quarter.

Broadway Transit Circulator Study:

- The Study is assessing the costs and economic development benefits (mixed-use development and business attraction) of upgrading the Broadway Shuttle to an electric Streetcar and extending the route through the Broadway Valdez Specific Plan area to Kaiser Hospital.
- Economic Development staff led the study's second community meeting on October 30, 2014, which was attended by over 70 residents, workers and business owners who shared their thoughts on how the plan could support downtown neighborhoods and promote mixed-use development and business attraction along Broadway. The study will be presented to the Public Works Committee and City Council in summer, 2015. Public meeting and study materials can be viewed at www.oaklandnet.com/broadwaytransit

Regional Economic Development Initiatives:

- Participated in East Bay Economic Development Alliance (EDA) meetings as Committee Chair-Targeted Sectors, and participated in Executive Committee.
- Participated in East Bay EDA meetings as Committee Chair-Targeted Sectors, and participated in Executive Committee.
- California Economic Development Department Council business roundtable event, Union City.
- Participated in the \$14 million DOL-funded "Design Build It Ship" industry cluster working groups: Logistics & Advanced Manufacturing.
- Participated in the Bay Area Regional Prosperity Plan – Economic Working Group.
- Participated in the EB EDA International Trade Committee.

Attachment A: July-September (3rd Quarter) 2014 Economic Development Activities Summary

Oakland Retail Development Program:

- Coordinated with Wood Partners regarding development of one of five Valdez Triangle priority retail sites.
- Meeting with office and retail brokers of former Sears's site, 1940 Broadway.
- Meeting with major property owners regarding Broadway Valdez Specific Plan retail priority sites.
- Shepherded City of Oakland state letter of support for popup retail legislation.
- Attended Collective Action for a Vibrant Local Economy workshop.
- Initiated development of retail real estate marketing collateral.

Bus Rapid Transit (BRT) Business Impact Mitigation Program:

- Garnered interest from Environmental Services Division staff in expending energy efficiency funds on a pilot program in the BRT corridor, including planning for outreach to property owners to "benchmark" and assess efficiency upgrades to their buildings.
- Provided production support for International Blvd. Promise Zone grant application.
- Coordination with Asian Pacific Environmental Network (APEN) regarding priorities and possible coordination with City on best strategies and potential uses for SB State Cap and Trade monies that may flow to Oakland's recognized "disadvantaged communities," including BRT project area and also West Oakland.
- Continued development of BRT Business Sustainability Program with AC Transit and community partners.
- Participation in City Staff Team for review of BRT Program and city actions, including AC Transit Board Reports and presentations and City Council meetings and reports.

Multi-Departmental Area Response Team Meetings:

ED staff coordinated with the City Administrator Office to improve coordination between city departments, and identify problems and solutions in each of the five Area Response geographic zones within the City. Kickoff meetings, site visits and follow-up meetings were held during the 3rd quarter of 2014. An Economic Development Staff member is part of each Area Team.

Community Benefit District (CBD) and Business Improvement District (BID) Program:

- Telegraph BID 2015: Successful completion of district's 10 year renewal.
- Jack London Improvement District: Successful start of special benefit services in summer 2014.
- Visit Oakland Tourism BID: Continued support of district formation efforts with target completion date of Spring/Summer 2015.

Attachment A: July-September (3rd Quarter) 2014 Economic Development Activities Summary

- New CBD Formation Interest: Oakland Chinatown, Adams Point Merchant Association, Upper Broadway area, and Lake Merritt Business Association.
- Annual Reports and Budgets: Successful review and approval of five property-based BID annual reports and FY 2014-2015 budgets (Downtown Oakland CBD, Lake Merritt CBD, Koreatown/Northgate CBD, Fruitvale BID, and Lakeshore/Lake Park BID).
- Initiation of Laurel District Renewal Process.
- Participation in Downtown/Uptown CBD Broker Focus Group.
- Staff participated in Fruitvale BID economic analysis presentation.

Developer & Investor Facilitation Services:

- Discussed possible long-term interest in a tech incubator live/work project.
- Provided City of Oakland orientation for Boos Development.
- Meeting regarding 330 2nd Street development potential.
- Facilitated coordination and responses for major development projects: College & Claremont Safeway Store; Goodman Complex; Ridge Development; VSCO tenant improvements; GoldieBlox; Benjamin Moore; hotel development interest; and Oakland Nissan.

Q3 Outreach/Promotion Activities

Economic Development Strategy:

Staff created a five-year projected investment map showing where the City anticipates public and private investment to locate in Oakland. Consultant firm Strategic Economics analyzed the city's specific plans, Climate Action Plan, Workforce Development Plan, and other documents with Economic Development goals. This became the basis for an interdepartmental staff charrette hosted in September to discuss shared Economic Development priorities. A revised set of priorities will be discussed in focus groups with key sectors and other identified stakeholders.

Attachment A: July-September (3rd Quarter) 2014 Economic Development Activities Summary

Clean Tech/Green Industry Events:

- Attended annual InterSolar conference in San Francisco, including sustainable cities track.
- Attended local business clinic event for the Cleantech Open business plan competition, engaging participating startups in the process.
- Hosted 20+ person delegation of Chinese local government officials concerned with how to combine economic development with lowering environmental impacts, and specifically interested in Oakland's green business policies and companies.

Small Business Events:

- Mills College Entrepreneurial Showcase - connected entrepreneurs to press, vendor resources.
- Federal Reserve Bank--Collective Action for a Local Economy.
- COCAP/SOCAP 14—Investigating Social Impact fund resources for small business and community development activities.
- Participated in the Alliance for Community Development Conference; Economic Development sponsored 10 small business scholarships.
- Participated in the Oakland Digital Arts & Literacy Center Conference.

Manufacturing/Industrial/Maker Events:

- Coordinated Oakland's National Manufacturing Day event on Oct 3, 2014.
- Participated in the East Bay Mini Maker Faire on October 19.
- Held two Quarterly Meet Ups in July and September for Oakland Makers.

Business Alert Programs:

- Held monthly West Oakland Business Alert meetings with industry leaders, Caltrans, railroad company representatives, OPD, PWA and other city departments.
- Updated Westoaklandworks.com website, including preparation of website copy and photos. Updated website scheduled for December 2014.

Q3 2014 Business Assistance Center Activities

Total Clients Served: 725

- Types of issues: Business Tax/Zoning/Business Counseling/Contracting.
- The BAC handled over 300 Phone Inquiries related to Business Tax/License Issues.
- Provided Site location for 11 Businesses using CoStar.
- BAC conducted outreach for over 40 potential candidates for the City's Kiva Zip Loan program. These candidates were vetted by examining their business concepts and plans. We also hosted a Kiva Zip Breakfast in August using Kiva Zip participants as vendors. We were able to settle on 10 Businesses that the City will endorse.
- Hosted the Chinese Delegation from United States-China Business Training Center in City of Industry. Conducted presentation gave a tour and participated in discussion on various Business related topics.
- Staff met with Alameda County Small Business Development Center to coordinate 2015 business development workshops.

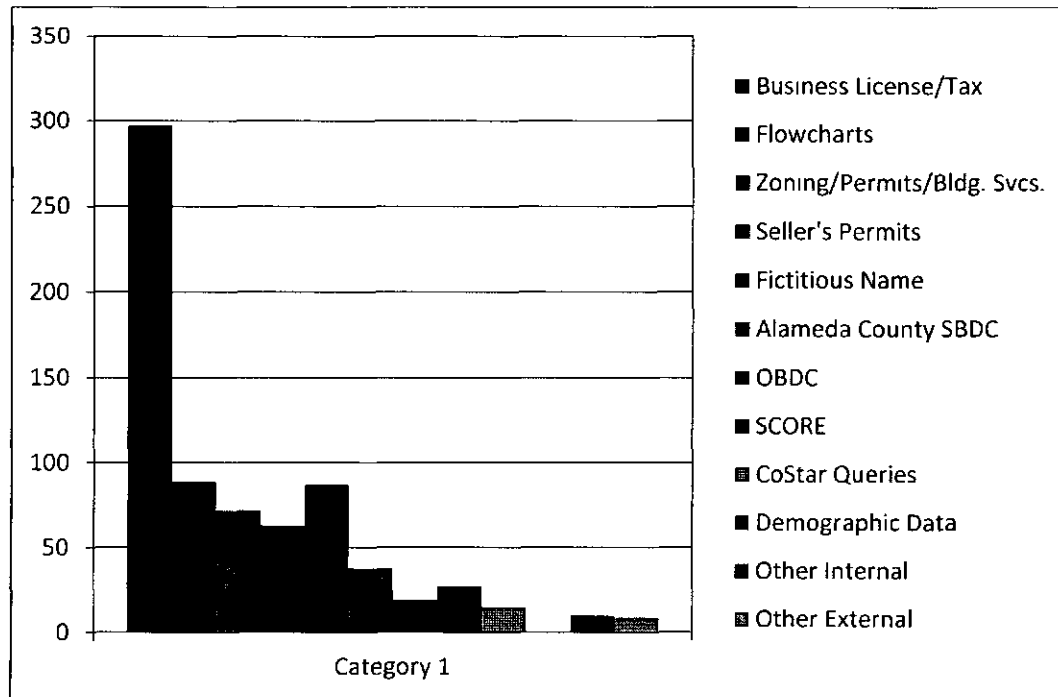
Workshops:

- Co-sponsored 14 Workshops with Alameda County SBDC, including Successful Business Plans, Website Development for Small Businesses and Meet the Lenders.
- Bay Area Business Roundtable 29 Attendees.
- Attended Board of Equalization's Economic Development Forum.
- Participated in Bay Area Roundtable for Small Businesses.
- Co-sponsored Oakland Digital's Art two event/programs: "Social Media for Small Businesses" & "Digital Equity."

See next page

Attachment A: July-September (3rd Quarter) 2014 Economic Development Activities Summary

Oakland Business Assistance Center Referral Breakdown:



725 Client Services Breakdown:

- Business License/Tax – 245
- Flowcharts – 79
- Zoning/Permits/Bldg. Services- 72
- Seller's Permit – 63
- Fictitious Name – 87
- Alameda County SBDC – 41
- OBDC - 17
- SCORE – 26
- CoStar Queries – 11



Economic Indicators – Quarter 3

City of Oakland







**PREPARED BY: THE OFFICE OF ECONOMIC AND WORKFORCE DEVELOPMENT
CITY OF OAKLAND**

DECEMBER 2014

Introduction to Quarter 3, July - September 2014

These economic indicators are intended to provide Oakland's city leaders, decision makers and the public with up-to-date economic data and a baseline against which to measure the health of Oakland's economy. The Indicators report is updated and distributed quarterly to the CED Committee and online at www.business2oakland.com.

Economic Dashboard – Q3 2014

Employment	Q3 2013	Q3 2014	Change
Number of Jobs	182,133	187,067	 2.7%
Unemployment Rate	11.4%	9.4%	 -18%
Businesses	Q3 2013	Q3 2014	
Number of Business Licenses	54,498	59,154	 8%
Quarterly Sales Tax Revenue (Q2)	\$ 10,721,761	\$ 11,628,844	 8.5%
Real Estate	Q2 2013	Q2 2014	
Median Single Family Sale Price	\$439,000	\$507,500	 16%
Median Multi Family Home Sale Price	\$420,000	\$535,000	 27.4%

In this report:

Economic Dashboard – Q3 2014

Revenues

Sales Tax
Real Estate Transfer Tax
Transient Occupancy Tax

Employment

Unemployment
Number of Jobs
Workforce
Business License Activity
Business Assistance Center Activity

Real Estate

Residential Sales
Residential Rents
Building Permits
Commercial Leasing
Development Pipeline

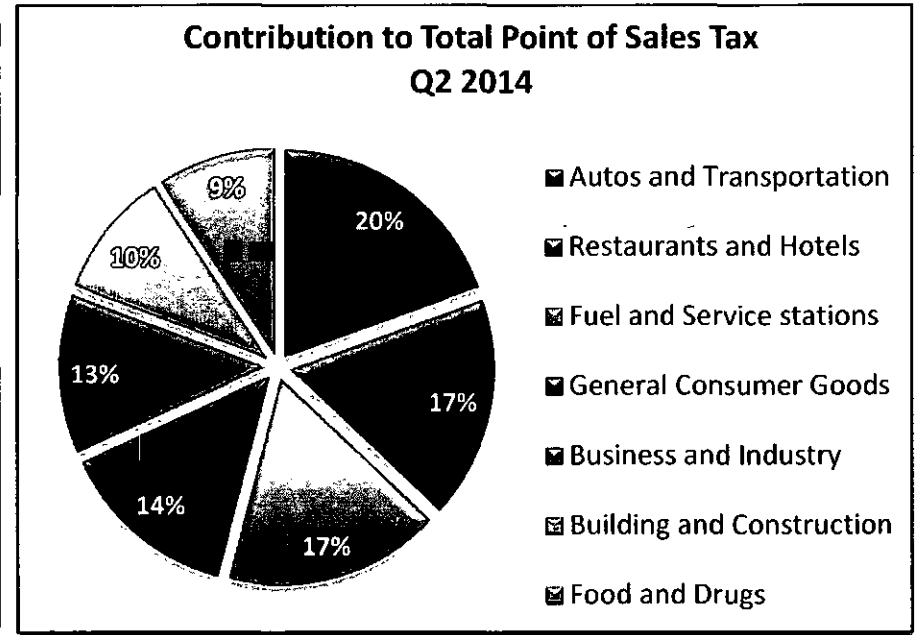
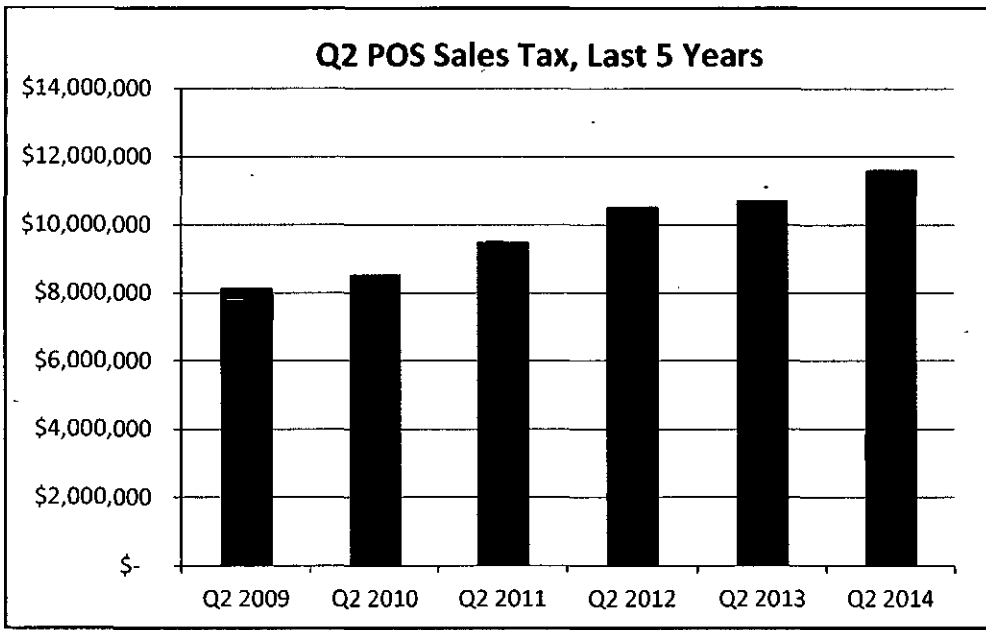
Revenues

Sales Tax, Real Estate Transfer Tax, and Transient Occupancy Tax are reported on a quarterly basis. Sales Tax reporting lags a quarter due to the grace period for payment. Sales and Transient Occupancy (Hotel) Taxes have increased, while Real Estate Transfer Taxes are lower than last year.

Quarterly Sales Tax (Q2)

	Q2 2013	Q2 2014	Change
Quarterly Sales Tax	\$ 10,721,761	\$ 11,628,844	8.5%

Point of Sales tax increased 8.5% from Q2 2013 to Q2 2014, continuing a five year growth trend. Adjusted for inflation, Quarterly Sales Tax revenues have grown 29% since 2009. The bulk of Oakland's sales tax revenue comes from automobiles and transportation, including sales of transit cars, followed by fuel and restaurant sales.



Quarterly Real Estate Transfer Tax

	Q2 2013	Q3 2014	Change
Real Estate Transfer Tax	\$16,496,538	\$13,615,277	-17%

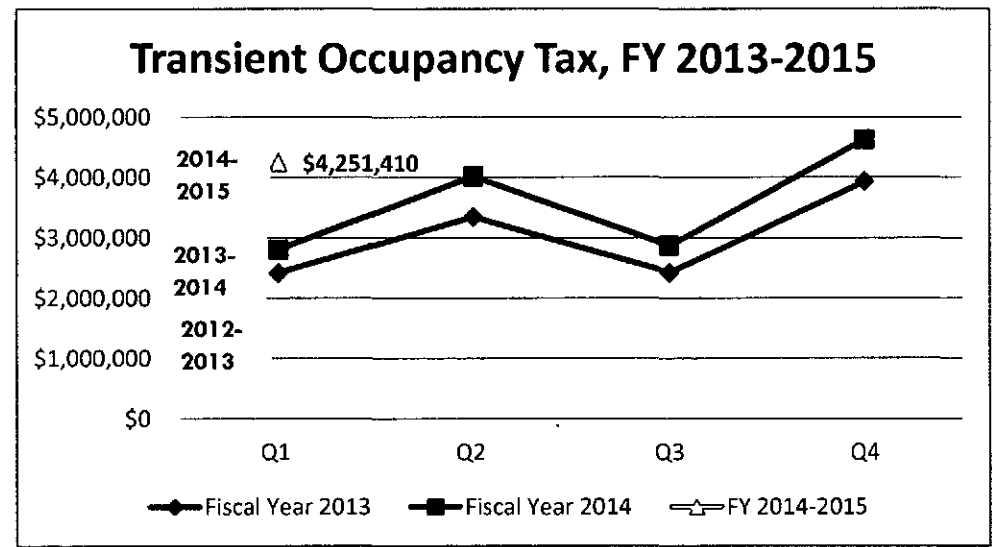
Oakland's quarterly real estate tax has declined from the same quarter last year, but this is primarily due to the absence of any major transactions, not to the overall health of the real estate market. The previous Fiscal Year (2013-2014) saw about \$11 Million in large, one time sales of large commercial properties. This quarter, 83% of the city's transfer tax revenue came from residential sales.

Parcel Type	Transfer Tax Collected	No. of Transactions
Commercial	\$1,276,178.40	48
Industrial/Institutional;/Recreational	\$368,595.00	19
Vacant	\$250,177.71	40
Unknown	\$387,666.59	53
Residential	\$11,332,659.04	1336
Totals	\$13,615,276.74	1496

Quarterly Transient Occupancy Tax

	Q3 2013	Q3 2014	Change
Transient Occupancy Tax	\$2,803,650	\$4,251,410	52%

Hotel stays and the transient occupancy tax they yield typically follow a seasonal variation, with peaks in summer and during the holidays. However, higher revenues are seen throughout last fiscal year, and this quarter, which is typically lower, has begun at a level almost reaching the peak of last year.

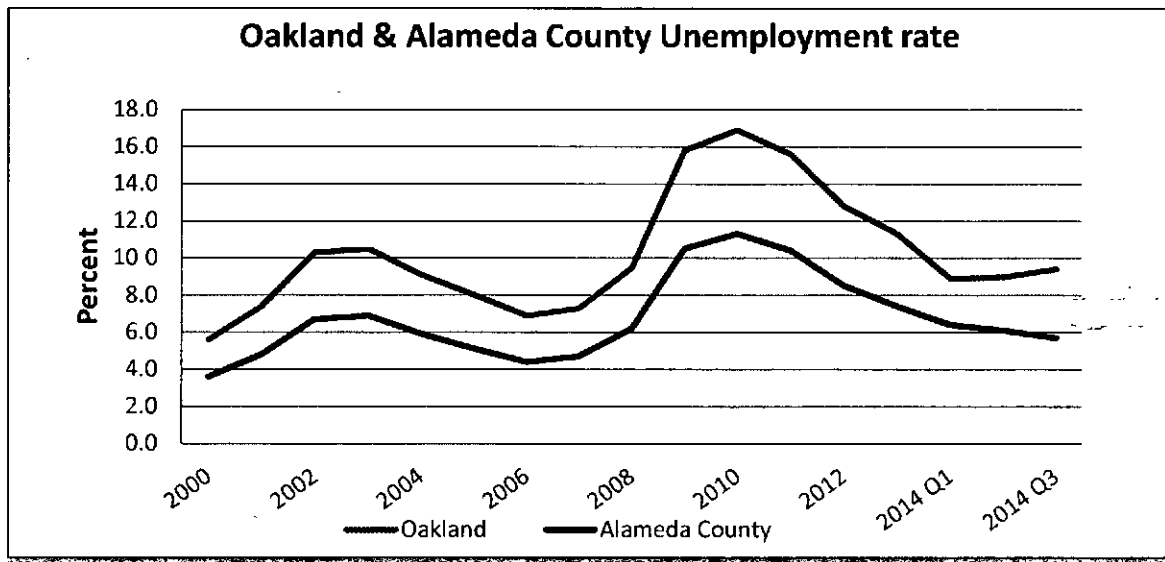


CITY OF OAKLAND ECONOMIC INDICATORS 4

Employment

	Q3 2013	Q3 2014	Change
Unemployment	11.4%	9.4%	-18%
	Q3 2013	Q3 2014	Change
Number of Jobs	182,133	187,067	2.7%

The average unemployment for Q3 2014 (July - September) was 9.4 percent, down 18 percent from the same time period last year. This compares with an unadjusted unemployment rate of 5.7% in Alameda County, 7.3 percent in California and 5.9 percent for the nation in September 2014. The table below shows that unemployment has declined for the last five years in the city and the county. It is still higher than 2006-2007 levels.



Oakland added five thousand jobs in the last year, as the total number of jobs in Oakland climbed to 187,100 in Q3 2014, from 182,133 in Q3 2013. Meanwhile, the size of the workforce has remained fairly constant, at 206,333. The increase in jobs with a steady number of workers supports the decline in unemployment.

Source: CA Employment Development Department-Labor Market Information Division

	Q3 2013	Q3 2014	Change
Workforce	205,800	206,333	0.3%

Business Activity, Q3 July-September 2014

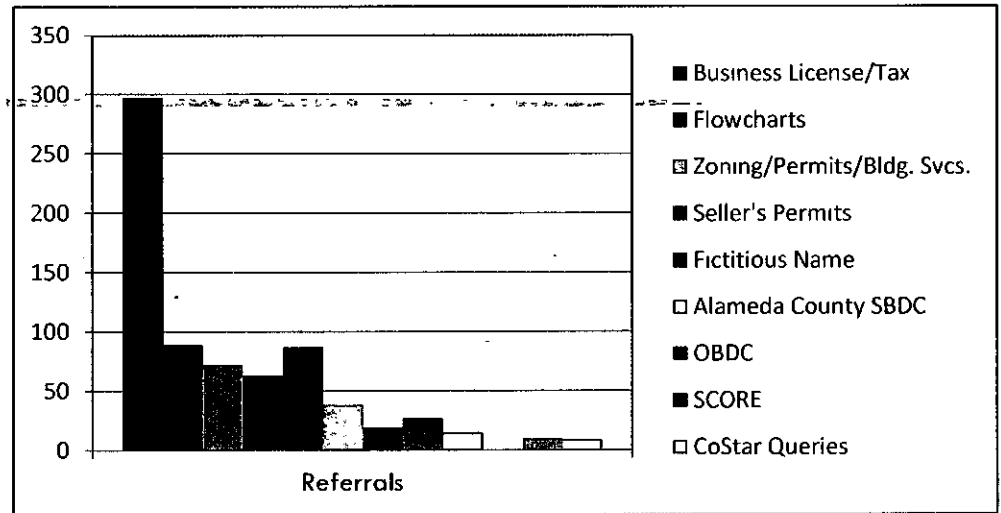
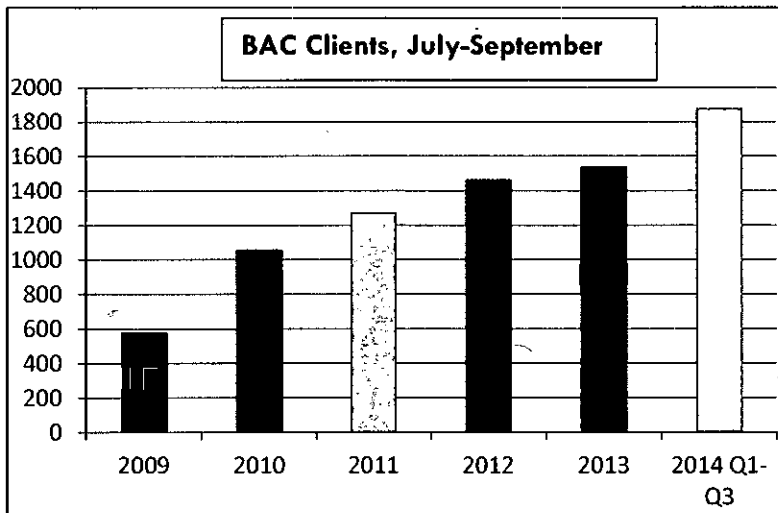
The number of business licenses issued includes 'property rentals' (i.e. homes with lodgers etc) and home-based businesses. 21,993 licenses, or 37% of the total, are residential property rentals. 1,536 new businesses were licensed this quarter, while 1,193 licenses ended.

	Q3 2014
Total Business Licenses (includes apartment rentals)	59,154
Number of New Licenses	1,536
Number of Ceased Licenses	1,193

Sources: City of Oakland Economic Development Department, City of Oakland Budget and Revenue Division; Oakland Business Assistance Center

Business Assistance Center

The Oakland Business Assistance Center has helped more people in the first three quarters of 2014 than in any of its previous years. Of the 725 people assisted this quarter, most were referred to the Business Licensing office. Other assistance includes steps to open a business, zoning and permits, demographic or real estate searches and small business loans and programs



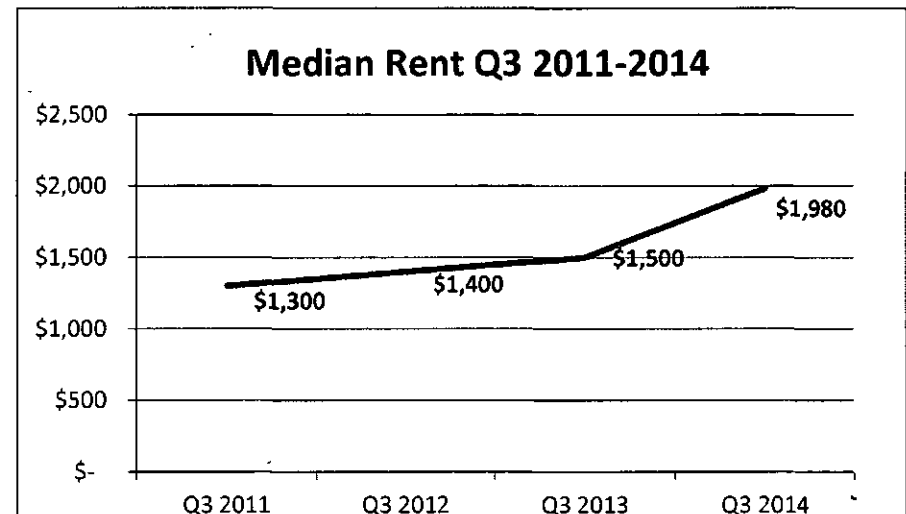
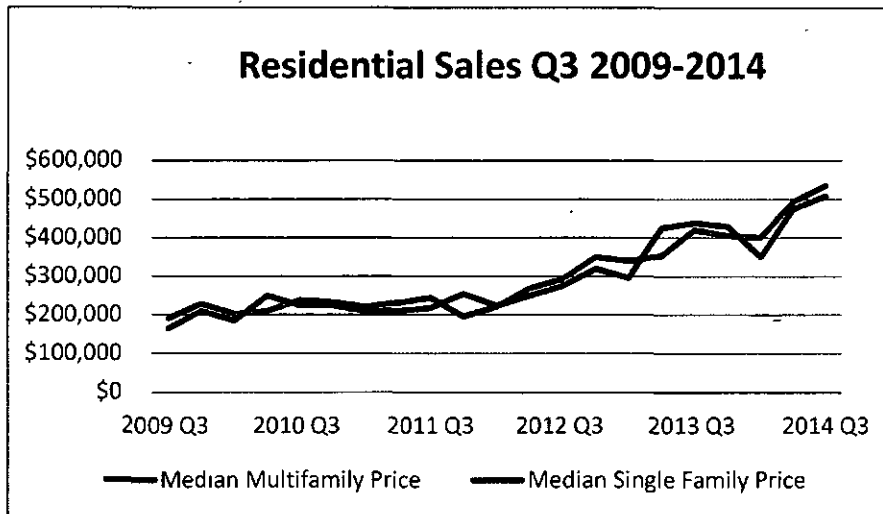
Real Estate

Residential

	Q3 2013	Q3 2014	Change
Median Detached Single Family Home Sale Prices	\$439,000	\$507,500	16%
	Q3 2013	Q3 2014	Change
Median Multi Family Home Sale Prices	\$420,000	\$535,000	27.4%
	Q3 2013	Q3 2014	Change
Median Rent	\$ 1,500	\$ 1,980	32%

Median sales prices for detached single family homes have increased 16% since Q3 2013, while multifamily homes have increased just over 27%. Home values are close to their pre-recession peak, which was \$550,000 in 2007. Countywide, the median single family home cost has increased by 16%, with Emeryville, Newark, and Pleasanton all seeing median home values rise by more than 20%.

Oakland median rents saw a similar jump as multifamily home sales. Q3 rents, measured September 30th, increased 32% since last year. As shown below right, this jump follows several years of slower 7-8% annual growth.



Source: HdL Companies, trulia.com, zillow.com

Building Permits

	Q3 2013	Q3 2014
Residential Building Permits	4	22

There were 22 Single Family and zero Multifamily building permits issued in Q3 2014.

Real Estate – Commercial Leasing

Oakland's commercial vacancies have increased in all categories since Q2, but Industrial and Retail rents are rising. The office vacancy rate in Oakland climbed from 10.3% to 11.2%. In comparison, San Francisco reported an office market vacancy rate of 7.0% last quarter and a lease rate of \$59.28 (SF OEWD). Industrial vacancies in Oakland climbed slightly from 4.8% to 5.2%, and retail vacancies rose from 3.0% to 3.2%. Overall, Oakland's office vacancies are higher than the East Bay office market, while Industrial and Retail vacancies are lower than the surrounding market. Office rates per square foot fell by \$0.70, while Industrial and Retail rates grew by \$1.50/sf and \$1.10/sf each.

Commercial Real Estate Market, Q3 2014						
	Existing Inventory		Vacant area (SF)	Vacancy rate	Under Construction (SF)	Annual Average Quoted Rates (\$/SF/pa)
	Buildings	Rentable Area (SF)				
Office Market						
Oakland	1,037	27,860,626	3,130,579	11.2%	-	\$21.24
Total East Bay	5,681	113,093,463	12,334,437	10.9%	10,000	\$24.06
Industrial Market						
Oakland	1,630	38,334,914	2,002,941	5.2%	-	\$8.31
Total East Bay	8,545	280,255,233	20,741,344	7.4%	2,153,145.00	\$8.47
Retail Market						
Oakland	3,262	19,685,700	621,551	3.2%	55,000	\$21.80
Total East Bay	13,484	126,554,275	5,339,591	4.2%	271,450	\$21.95

Development Pipeline

There are 25 projects under construction or just recently completed, including 1219 housing units and 2,886,000 square feet of commercial space. An additional 51 projects are in the pipeline, including 10,803 residential units and 3,458,500 square feet of commercial space. This is a significant increase in residential development activity from last year and last quarter, when there were just over 1000 units under construction and 8000 in the pipeline.

HOUSING		COMMERCIAL	
Under Construction	Units	Under Construction	Square Feet
Market Rate	278	Transportation/Logistics	475,000
Senior/Affordable	941	Retail	181,000
		Medical	2,130,000
Total Units Under Construction	1,219	Total Commercial SF Under Construction	2,886,000
Pipeline	Units	Pipeline	Square Feet
Market Rate	9673	Retail	498,500
Senior/Affordable*	1130	Retail/Office	900,000
		Retail/Hotel/Office	650,000
*Minimum. Some projects still under determination.		Retail/Entertainment	120,000
		Office	910,000
		Medical	380,000
Total Units in Pipeline	10,803	Total Commercial SF in Pipeline	3,458,500

Task	Firm	Hausrath Economics Group				Urban Economics			
		Project Management Economic Feasibility & Affordable Housing				Nexus Analysis Capital Improvements			
		Hours				Costs	Hours		Costs
Staff	PIC / Project Manager (Hausrath)	Senior Analyst (Nielsen)	Senior Analyst (Van Etten)	Analyst (Northam)	HEG Subtotal	Task Manager (Spencer)	Senior Analyst	UE Subtotal	
1 Project Management		364	-	-	42	\$ 75,950	204	-	\$ 40,800
1.1 Steering Committee		124	-	-	-	24,800	124	-	24,800
1.2 Project Management		240	-	-	42	51,150	80	-	16,000
2 Document Review		16	-	-	40	\$ 6,200	16	40	\$ 8,800
3 Assumptions & Methodology		142	-	48	40	\$ 38,120	100	-	\$ 20,000
3.1 Existing & Future Growth		60	-	-	40	15,000	4	-	800
3.2 Impact Fee Survey		6	-	48	-	7,920	6	-	1,200
3.3 Assumptions & Methodology		76	-	-	-	15,200	90	-	18,000
4 Transportation Improv		-	-	-	-	\$ -	8	-	\$ 1,600
4.1 Project Identification		-	-	-	-	-	4	-	800
4.2 Project Costs & Funding		-	-	-	-	-	4	-	800
5 Capital Improvements		-	-	-	-	\$ -	68	150	\$ 34,600
5.1 Sewer & Storm Drain		-	-	-	-	-	40	-	8,000
5.2 Other Capital Improvements		-	-	-	-	-	28	150	26,600
6 Affordable Housing Context		80	40	-	40	\$ 25,000	-	-	\$ -
7 Nexus Analysis		100	16	-	-	\$ 22,400	300	56	\$ 67,840
7.1 Affordable Housing		40	16	-	-	10,400	-	-	-
7.2 Transportation		-	-	-	-	-	80	16	18,240
7.3 Capital Improvements		-	-	-	-	-	140	16	30,240
7.4 Program Proposal		60	-	-	-	12,000	80	24	19,360
8 Economic Feasibility Analysis		404	80	-	140	\$ 103,300	-	-	\$ -
8.1 Feasibility Model		120	20	-	60	31,500	-	-	-
8.2 Economic Impacts		200	40	-	60	50,500	-	-	-
8.3 Potential Fee Revenue		24	-	-	8	5,400	-	-	-
8.4 Development Incentives		60	20	-	12	15,900	-	-	-
9 Environmental Review		4	-	-	-	\$ 800	8	-	\$ 1,600
10 Fee Adoption & Report		266	-	-	40	\$ 56,200	192	-	\$ 38,400
10.1 Working Group		80	-	-	-	16,000	80	-	16,000
10.2 Nexus Study Report		180	-	-	40	39,000	96	-	19,200
10.3 Input Staff Rept/Ordin		6	-	-	-	1,200	16	-	3,200
11 Staff Training		-	-	100	-	\$ 14,000	8	-	\$ 1,600
Total Hours		1,376	136	148	342		904	246	
Hourly Rate (Burdened)		\$ 200	\$ 150	\$ 140	\$ 75		\$ 200	\$ 140	
Total Labor Costs		\$ 275,200	\$ 20,400	\$ 20,720	\$ 25,650	\$ 341,970	\$ 180,800	\$ 34,440	\$ 215,240
Proj. Admin. @ 5%						24,030			
Total Direct Expenses						4,000			-
Total Budget						\$ 370,000			\$ 215,240

Task	Staff	Firm	Fehr & Peers					BKF Engineers					
		Role	Transportation Improvements					Sanitary Sewer and Storm Drain Utilities					
			Hours			Costs		Hours			Costs		
	Task Manager	Principal	Senior Planner	Engineer/Planner	Admin/ Graphics Support	F&P Subtotal	Task Manager (Boscacci)	Engineer III	Engineer I	BKF Subtotal			
1 Project Management		-	32	-	-	-	\$ 6,560	-	16	-	-	\$ 2,864	
1.1 Steering Committee		-	32	-	-	-	6,560	-	16	-	-	2,864	
1.2 Project Management		-	-	-	-	-	-	-	-	-	-	-	
2 Document Review		10	32	16	68	12	\$ 21,590	-	20	64	56	\$ 19,684	
3 Assumptions & Methodology		6	24	-	-	-	\$ 6,570	4	8	16	-	\$ 4,748	
3.1 Existing & Future Growth		-	-	-	-	-	-	-	-	-	-	-	
3.2 Impact Fee Survey		-	-	-	-	-	-	-	-	-	-	-	
3.3 Assumptions & Methodology		6	24	-	-	-	6,570	4	8	16	-	4,748	
4 Transportation Improv		22	68	126	125	28	\$ 57,735	6	64	-	-	\$ 12,806	
4.1 Project Identification		10	30	60	60	12	26,780	-	-	-	-	-	
4.2 Project Costs & Funding		12	38	66	65	16	30,955	6	64	-	-	12,806	
5 Capital Improvements		-	-	-	-	-	\$ -	4	36	106	160	\$ 41,750	
5.1 Sewer & Storm Drain		-	-	-	-	-	\$ -	4	36	106	160	41,750	
5.2 Other Capital Improvements		-	-	-	-	-	\$ -	-	-	-	-	\$ -	
6 Affordable Housing Context		-	-	-	-	-	\$ -	-	-	-	-	\$ -	
7 Nexus Analysis		4	16	12	10	4	\$ 7,890	-	-	-	-	\$ -	
7.1 Affordable Housing		-	-	-	-	-	-	-	-	-	-	-	
7.2 Transportation		4	16	12	10	4	7,890	-	-	-	-	-	
7.3 Capital Improvements		-	-	-	-	-	-	-	-	-	-	-	
7.4 Program Proposal		-	-	-	-	-	-	-	-	-	-	-	
8 Economic Feasibility Analysis		-	-	-	-	-	\$ -	-	-	-	-	\$ -	
8.1 Feasibility Model		-	-	-	-	-	-	-	-	-	-	-	
8.2 Economic Impacts		-	-	-	-	-	-	-	-	-	-	-	
8.3 Potential Fee Revenue		-	-	-	-	-	-	-	-	-	-	-	
8.4 Development Incentives		-	-	-	-	-	-	-	-	-	-	-	
9 Environmental Review		-	-	-	-	-	\$ -	-	-	-	-	\$ -	
10 Fee Adoption & Report		-	36	-	-	-	\$ 7,380	-	8	-	-	\$ 1,432	
10.1 Working Group		-	16	-	-	-	3,280	-	-	-	-	-	
10.2 Nexus Study Report		-	20	-	-	-	4,100	-	8	-	-	1,432	
10.3 Input Staff Rept/Ordin		-	-	-	-	-	-	-	-	-	-	-	
11 Staff Training		-	-	-	-	-	\$ -	-	-	-	-	\$ -	
Total Hours			42	208	154	203	44		14	152	186	216	
Hourly Rate (Burdened)			\$ 275	\$ 205	\$ 150	\$ 125	\$ 115		\$ 225	\$ 179	\$ 151	\$ 115	
Total Labor Costs			\$ 11,550	\$ 42,640	\$ 23,100	\$ 25,375	\$ 5,060		\$ 3,150	\$ 27,208	\$ 28,086	\$ 24,840	\$ 83,284
Proj. Admin. @ 5%													
Total Direct Expenses							6,500						2,000
Total Budget							\$ 114,225						\$ 85,284

Task	Firm	Vernazza Wolfe Associates			Lamph-Greg		Total Hours	Total Cost
	Role	Affordable Housing			Environmental Review			
	Staff	Task Manager (Wolfe)	Analyst	Costs	Task Manager (Gregory)	Costs		
				VWA Subtotal		LG Subtotal		
1 Project Management		32	-	\$ 6,240	16	\$ 3,440	706	\$ 135,854
1.1 Steering Committee		32	-	6,240	16	3,440	344	68,704
1.2 Project Management		-	-	-	-	-	362	67,150
2 Document Review		16	15	\$ 4,545	-	\$ -	421	\$ 60,819
3 Assumptions & Methodology		12	-	\$ 2,340	10	\$ 2,150	410	\$ 73,928
3.1 Existing & Future Growth		-	-	-	-	-	104	15,800
3.2 Impact Fee Survey		-	-	-	-	-	60	9,120
3.3 Assumptions & Methodology		12	-	2,340	10	2,150	246	49,008
4 Transportation Improv		-	-	\$ -	-	\$ -	447	\$ 72,141
4.1 Project Identification		-	-	-	-	-	176	27,580
4.2 Project Costs & Funding		-	-	-	-	-	271	44,561
5 Capital Improvements		-	-	\$ -	-	\$ -	524	\$ 76,350
5.1 Sewer & Storm Drain		-	-	-	-	-	346	49,750
5.2 Other Capital Improvements		-	-	-	-	-	178	26,600
6 Affordable Housing Context		40	-	\$ 7,800	-	\$ -	200	\$ 32,800
7 Nexus Analysis		134	40	\$ 29,930	-	\$ -	692	\$ 128,060
7.1 Affordable Housing		134	40	29,930	-	-	230	40,330
7.2 Transportation		-	-	-	-	-	142	26,130
7.3 Capital improvements		-	-	-	-	-	156	30,240
7.4 Program Proposal		-	-	-	-	-	164	31,360
8 Economic Feasibility Analysis		-	-	\$ -	6	\$ 1,290	630	\$ 104,590
8.1 Feasibility Model		-	-	-	6	1,290	206	32,790
8.2 Economic Impacts		-	-	-	-	-	300	50,500
8.3 Potential Fee Revenue		-	-	-	-	-	32	5,400
8.4 Development Incentives		-	-	-	-	-	92	15,900
9 Environmental Review		-	-	\$ -	48	\$ 10,320	60	\$ 12,720
10 Fee Adoption & Report		32	-	\$ 6,240	-	\$ -	574	\$ 109,652
10.1 Working Group		12	-	2,340	-	-	188	37,620
10.2 Nexus Study Report		20	-	3,900	-	-	364	67,632
10.3 Input Staff Rept/Ordin		-	-	-	-	-	22	4,400
11 Staff Training		-	-	\$ -	-	\$ -	108	\$ 15,600
Total Hours		266	55		80		7,023	
Hourly Rate (Burdened)		\$ 195	\$ 95		\$ 215			
Total Labor Costs		\$ 51,870	\$ 5,225	\$ 57,095	\$ 17,200	\$ 17,200		\$ 822,514
Proj. Admin. @ 5%								24,030
Total Direct Expenses				4,365				16,865
Total Budget				\$ 61,460		\$ 17,200		\$ 863,409

**Broadway Retail Corridor Specific Plan and EIR
Invoice for Hausrath Economics Group and Urbanics**

Professional Services through November 24, 2009 (excl. Task 12 work)

	Fee	Percent Complete	Earned	Previous Fee Billing	Current Fee Billing
Phase I: Understanding the Issues and Context					
Task 1-Project Initiation	\$3,400 00	100%	\$3,400 00	\$3,400 00	\$0 00
Task 2-Inventory of Existing Conditions	\$6,080 00	100%	\$6,080 00	\$6,080 00	\$0 00
Task 3-Market Demand Analysis	\$51,320 00	96%	\$49,520 00	\$49,520 00	\$0 00
Task 4-Meetings and Public Outreach	\$10,160 00	86%	\$8,720 00	\$6,852 00	\$1,868 00
Total for Phase I	\$70,960.00	95%	\$67,720.00	\$65,852 00	\$1,868 00
Phase II: Exploring the Alternatives					
Task 5-Land Use/Urban Design Alternatives	\$7,540 00	86%	\$6,460 00	\$6,460 00	\$0 00
Task 6-Market Feasibility Evaluation	\$27,140 00	84%	\$22,820 00	\$18,340 00	\$4,480 00
Task 10-Preferred Concept	\$4,320 00	0%	\$0 00	\$0 00	\$0 00
Task 11-Meetings with City Staff	\$1,800 00	60%	\$1,080 00	\$720 00	\$360 00
Total for Phase II	\$40,800.00	74%	\$30,360.00	\$25,520.00	\$4,840 00
Phase III: Preparing the Specific Plan					
Task 12-Administrative Draft Specific Plan/Implementation	\$51,880 00	0%	\$0 00	\$0 00	\$0 00
Task 16-Meetings	\$3,600 00	0%	\$0 00	\$0 00	\$0 00
Total for Phase III	\$55,480.00	0%	\$0.00	\$0.00	\$0 00
Phase V: Certifying the EIR & Adopting the Specific Plan					
Task 22-Meetings and Hearings	\$2,160 00	0%	\$0 00	\$0 00	\$0 00
Total for Phase V	\$2,160.00	0%	\$0 00	\$0.00	\$0.00
Total Fees	\$169,400.00	58%	\$98,080.00	\$91,372 00	\$6,708 00
Reimbursable Expenses					
Hausrath Economics Group	\$1,000 00	64%	\$637 84	\$624 84	\$13 00
Urbanics	\$3,000 00	100%	\$3,000 00	\$3,000 00	\$0 00
Total Reimbursables	\$4,000 00	91%	\$3,637 84	\$3,624.84	\$13.00
Total Fees and Reimbursable Expenses	\$173,400 00	59%	\$101,717 84	\$94,998 84	\$6,721 00
Total Due This Invoice:				\$6,721.00	