

FILED  
OFFICE OF THE CITY CLERK  
OAKLAND

2008 DEC -4 PM 3:10

## CITY OF OAKLAND *AGENDA REPORT*

TO: Office of the City Administrator  
ATTN: Dan Lindheim  
FROM: Community and Economic Development Agency  
DATE: December 16, 2008

RE: **A Report and Recommendations To Accept The Oakland Retail Enhancement Strategy And To Authorize Actions Included In The Implementation Plan**

---

### SUMMARY

As authorized by City Council, staff contracted with Conley Consulting Group to assist in the development of a citywide retail enhancement strategy. Following up on earlier citywide and Upper Broadway deliverables, the Consultant completed analysis and recommendations on the other 53 existing retail nodes located throughout Oakland. Staff worked closely with the Conley team during the contract, providing information and insight, guiding the direction of the work, making introductions, scheduling meetings with staff and officials, reviewing work products, etc.

Oaklanders' desire for a mixture of national, regional and locally owned retailers has shaped the consulting team's work and set the stage for a set of comprehensive recommendations to address Oakland's dramatic loss of potential retail sales to other communities (leakage), its relative lack of large retail opportunity sites, and its vast number of underutilized existing shopping nodes.

In the time since the Consultant team completed its analysis in Summer 2008, a global financial crisis of epic proportions has occurred. Shoppers are spending far less. For many retailers, sales are weakening, new store development is slowing, and in some cases stores are closing. This is the time for planning and preparing for the next retail expansion cycle. In fact, with the work staff and the Consultant have completed and have in process, coupled with the convergence of fluctuating gas prices, renewed interest in urban living, and the trend toward mixed-use retail development, Oakland is well-positioned to capitalize on retail when the economy turns around.

Item: \_\_\_\_\_  
CED Committee  
December 16, 2008

This report looks at the Consultant's recommendations and adds staff recommendations, adjusted for new economic and fiscal realities. Given those new realities, staff recommends prioritizing actions which can be added to existing staff workplans without any new resources, and are noted in bold; the remaining actions require new staff and or consultants.

## **FISCAL IMPACT**

While this report contains many funding possibilities, there is no specific request, and thus no fiscal impact.

Without additional resources, there are a limited number of new actions that can be added to staff workplans (see bold actions below). In order to accomplish the Strategy and recommendations fully, however, three new CEDA Economic Development Business Development Services (BDS) retail full-time equivalent employees would be needed, in addition to the existing retail 2.70 FTEs; efforts are underway to hire an Urban Economic Analyst IV to augment the team. This would also require consulting services in the amount of \$110,000 annually for five years for retail action plans, and additional funds for prospective incentives.

## **BACKGROUND**

The City of Oakland launched the Oakland Retail Enhancement Strategy to:

- Increase quality of life by having what Oaklanders want to buy available close by
- Increase sales tax revenue funds to provide City services and amenities
- Increase number of potential jobs and entrepreneurial opportunities for Oaklanders

Retail in Oakland is surprisingly complex, with many reasons why it has been unsuccessful in Oakland in the last 30 years. The Consultant team recommended that Oakland:

- Build off existing retail and shopping districts
- Focus on the largest retail sector gap—comparison goods where Oakland has a leakage of \$1 billion in potential comparison goods sales
- Target specific area needs, such as grocery in East and West Oakland
- Provide better service to the retail sector by dedicating more City staff
- Further encourage the development of locally owned stores in Oakland

Furthermore, the Consultant emphatically stated that there are no quick solutions to the problem and no single action will resolve the \$1 billion comparison goods leakage or improve the health

of many shopping districts. Instead what must occur is a concerted, comprehensive, well-funded effort that addresses Oakland retail holistically, so people no longer ask, "Where's the retail in Oakland?"

In addition to activities recommended by the Consultant which staff already does, given fiscal realities at this time, staff proposes to initiate cost neutral recommendations. If still needed in future years, the cost intensive recommendations can be implemented. Here is an outline of the recommendations, which are described further in the Program Description section below; staff recommends prioritizing actions which can be added to existing staff workplans without any new resources, and are noted in bold; the remaining actions require new staff and or consultants:

- a) Improve tenant mix
  - i) **Upper Broadway comparison goods lifestyle shopping place with potentially small and large format stores and entertainment** (on-going)
  - ii) **Grocery**: On-going discussions with two major grocery chains about East and West Oakland
  - iii) **Additional large format stores**
- b) Locally owned retail
- c) Strong neighborhoods
  - i) Retail Action Plans
  - ii) Key vacancies in target areas
- d) Improve performance of existing retailers and retail districts
  - i) Merchant associations/Business Improvement Districts (BIDs)/Community Business Districts (CBDs) (on-going)
  - ii) **Marketing** (on-going)
  - iii) **Retail ombudsman** (on-going)
  - iv) Retail Institute (training)
- e) Prioritize retail enhancement throughout City government
  - i) **Retail Working Group** (on-going)
  - ii) **Retail Cabinet**
  - iii) Incentives (**cost neutral incentives**)
  - iv) **City policies: annual retail report, alcohol, business tax, living wage, zoning, retail component in all redevelopment area action plans**
  - v) **Elected officials champion retail**

Retail must be a top priority among the City Administrator, Councilmembers and the Mayor's office. This support will enable staff to execute a long-term strategy by having a presence at retail meetings and events, meeting with retailer and retail developers, acquiring real estate with retail in mind, adjusting regulations to make Oakland more friendly to retail, and expediting retail projects.

## **KEY ISSUES AND IMPACTS**

A large part of the Consultant's recommendations focused on hiring additional consultants to conduct in-depth retail action plans for several priority retail areas. Since the Consultant's recommendations were completed, the City's fiscal outlook has dramatically declined, thus enacting the full retail action plans is unlikely in the near future.

Given the scope of work, the retail unit in CEDA Economic Development Business Development Services is understaffed. Based on estimates of the work that needs to be done, three new staff, in addition to the current 2.7 FTEs, are needed for the recommended work; efforts are underway to hire an Urban Economic Analyst IV to augment the team. This would also require consulting services in the amount of \$110,000 annually for five years for retail action plans, and additional funds for prospective incentives.

## **PROGRAM DESCRIPTION**

**OAKLAND RETAIL ENHANCEMENT STRATEGY IMPLEMENTATION PLAN**  
Actions identified by staff are noted; otherwise they were identified by the Consultant.

### **OBJECTIVE A. IMPROVE THE RETAIL TENANT MIX**

#### **Task 1: Upper Broadway Strategy**

The City Council has adopted a strategy to guide transitioning land use in the Upper Broadway Area to create a large scale, mixed use development with an emphasis on major comparison goods retail. This strategy includes a Specific Plan to guide land use decisions, urban design standards to ensure that the retail component is consistent with City goals for the area, environmental review, and a parking access/financing plan. The Specific Plan consultant team begins its work—slated for an 18-24 month duration—in December 2008.

Staff continues to be a key participant in ensuring the retail goals for this area are met, continues to provide location, resource and regulatory information to retailers, and is working with retail developers to identify and negotiate for opportunity sites.

Actions identified by staff

- Refurbish and redevelop plazas
- Explore ways to get control of key parcels
- Expand key tenant façade and tenant improvement grants
- Focused outreach to retail developers
- Focused outreach to and partnering with property owners to negotiate options
- Focused outreach to local/independent and chain retailers
- Complete EIR and specific plan to identify parking garage locations, funding, enhance on-street and existing off-street parking (on-going)
- Form interdepartmental working group to continue projects
- Partner with the Offices of the Mayor and the City Administrator for grants
- Redevelopment area extension
- Consumer publicity and marketing
- Branding
- Special events
- Banners along Broadway from Grand Avenue to 27<sup>th</sup> Street
- Real estate brochure
- Create Community Benefits District (CBD) in the area
- Trees
- Wayfinding signage

Desired results: Oakland has a successful major comparison goods lifestyle shopping place on Broadway between Grand Avenue and Interstate 580.

**Task 2: Grocery Store Program**

It is likely that filling the shortage of grocery stores will be the first major milestone success of the Retail Enhancement Strategy, given the interest of several stores with a variety of formats for opening new units in Oakland. Economic Development staff should support and monitor progress in locating sites for new grocery stores, especially in underserved West and East Oakland neighborhoods.

New or replacement grocery stores are planned for Oak Knoll and Foothill Square, and renovations of existing stores are planned at the Safeway stores on College and Claremont and at

Item: \_\_\_\_\_  
CED Committee  
December 16, 2008

Broadway and 51<sup>st</sup> Street. Additional supermarkets upgrade candidates are the Lucky at MacArthur and 39<sup>th</sup> Avenue, the Pak 'n Save on Hegenberger and Baldwin, and possibly the Lincoln Square Safeway.

- Action 1: Economic Development staff is in discussion with major grocery chains to locate in East and West Oakland.
- Action 2: Redevelopment staff to facilitate a land acquisition in East Oakland. The Redevelopment Agency could option and/or acquire sites.

Additional possible actions identified by staff

- Improve access to food in East and West Oakland, as well as food entrepreneurship by *clarifying gaps in the mobile vending regulations.*
- Explore possibly modifying the City's alcohol ordinance to eliminate the negative impacts of smaller format full-service grocery stores.
- Economic Development staff are working with owners of problem liquor store sites who want to retenant, as referred by Neighborhood Law Corps.
- Economic Development staff planning to work with Department of Human Services staff to collaborate on food security initiatives, which could include marketing program to assist liquor stores to provide more fresh food.

Desired results: No Oaklander has to travel more than 15 minutes drive-time to a full service supermarket.

### **Task 3: Large Format Store Program**

One element of capturing Oakland's \$1 billion in sales leakage is to foster a greater number of large format stores, where many Oaklanders now shop outside of Oakland. There are relatively few sites suitable for development of large format stores in the City. Appropriate sites are located along the freeways on the City's edge as well as on Upper Broadway to some degree, but these must meet location and price requirements of these stores. Identify and facilitate development of sufficient sites to accommodate \$0.5 billion in annual sales.

Staff participates in ensuring the retail goals for this area are met, provides location, resource and regulatory information to retailers, and is working with retail developers to identify and negotiate for opportunity sites.

- Action 1: Inventory opportunity sites and create property inventory binder.
- Action 2: Outreach to property owners, developers and retailers.
- Action 3: Identify upfront redevelopment funds for retail development and/or off-sites.

Desired results: Oakland decreases its comparison goods retail sales leakage from 67% to 40% in five years.

\* \* \*

#### OBJECTIVE B. CREATE AND RETAIN LOCALLY OWNED RETAIL

Locally owned stores strengthen Oakland's unique character and the City's economy. To meet the goal of establishing 70 locally owned, new, sustainable comparison goods stores, Oakland must have a comprehensive approach.

##### Task 1: Locally Owned Store Program

- Action 1: Form partnerships with business assistance organizations and nonprofits. Completed via the Oakland Business Service Organizations network.
- Action 2: Develop collateral materials to inform potential retailers of the advantages of Oakland locations. This is already in the pipeline, with new retail and Economic Development collateral to be developed by May 2008.
- Action 3: Offer ombudsman services to stores. On-going.
- Action 4: Develop a consumer-oriented marketing campaign.

##### Additional possible actions identified by staff

- Provide matching grants to artists/artisans for new location startup, relocation, security, entitlements, life safety upgrades (for community assembly uses).
- Clarify gaps in the mobile vending regulations.
- Help "pre-storefront" retailers currently located in mobile vending vehicles, swap meets and farmers markets move into storefronts.
- Help foster development of a commercial kitchen which can be developed to help nascent caterers who would eventually move to a restaurant space and other food manufacturing businesses.

Desired results: Oakland is recognized as a hub for successful, vital locally owned retail.

\* \* \*

## OBJECTIVE C. CREATE STRONG NEIGHBORHOODS WHERE RETAIL CAN THRIVE

### Task 1: Retail Action Plans

Develop retail action plans with the participation of residents and the business community for West Oakland, Laurel, Dimond, 51st and Broadway/Oakland Tech, Foothill and Seminary, and the Temescal. Retail action plans should be tailored to local conditions and reflect local preferences. Plans should include a long term parking and access strategy, design standards and sign controls, a leasing strategy, and a public improvement and streetscape strategy. Plans are needed in these areas to take them beyond what naturally occurring market forces would bring about; in some cases, convenience retail, in others a concentration of comparison goods retail. This program involves staff from Planning, Economic Development, Redevelopment, and Public Works. Outside consultant support is required. Where relevant, BIDs and merchant associations should provide in kind and/or financial support.

Given budget constraints, staff has identified shopping district revitalization efforts with a hands-on, less monetary approach:

- Action 1: Reach out to merchant association and business improvement district/community benefit district administrators and ensure that they are aware of all possible resources.
- Action 2: Develop assessment toolkit and administer, perhaps using a well-trained volunteer team.
- Action 3: Annual training on retailer and shopping district topics, such as “retail marketing and merchandising,” “retail recruitment” and “assessing the health of your shopping district.” This could be modeled after National Trust Main Street Center and California Downtown Association workshops. See also Retail Institute, Objective D, Task 4, page 12.

Desired results: Action plans developed for Oakland shopping districts as a way to fully tap their potential.

### Task 2: Key Vacancy Program

Facilitate community or business association involvement in re-tenanting key vacant retail sites. Partner with property owners, nonprofit organizations, and where appropriate, broker-consultants, to define leasing programs for key vacant sites. Initial program to include the six nodes designated for creation of Retail Action Plans<sup>1</sup>. Develop an allocation system to add additional nodes to the program over time.

---

<sup>1</sup> West Oakland, Laurel, Dimond, 51st and Broadway/Oakland Tech, Foothill and Seminary, and Temescal.



Staff has identified the following ways to promote the Key Vacancy Program:

- Action 1: Focus on two to three key vacancies (built space) per year to promote and bring to market. Work with property owner and broker, if applicable, and community members, to develop marketing materials and conduct outreach to retailers.
- Action 2: Reach out to merchant association and business improvement district/community benefit district administrators and ensure that they are aware of resources to fill vacancies and support retailers.
- Action 3: Develop vacancy assessment and retailer recruitment toolkit and administer, perhaps using a well-trained volunteer team.

Desired results: Two to three key spaces leased annually.

\* \* \*

#### OBJECTIVE D. IMPROVE THE PERFORMANCE OF EXISTING RETAILERS AND RETAIL DISTRICTS

Support business associations, by providing promotional assistance including collateral marketing materials, linkages to nonprofit resources, trainings, etc. Support formation of new business associations. Provide consultant resources to business associations to augment their staff capacity. Improving the performance of existing retailers and retail districts will be a multi-pronged effort, including:

##### Merchant and property owner organizing

- Organizing nascent areas
- Supporting mature areas
- Launching and renewing CBDs

##### Retail recruitment

Training and supporting merchants and other shopping district stakeholders to inventory district strengths and opportunity sites, and reach out to prospective retailers and developers

##### Retailer Institute

Annual training on retailer and shopping district topics, such as "retail marketing and merchandising," "retail recruitment" and "assessing the health of your shopping district." The institute could be modeled after National Trust Main Street Center and California Downtown Association workshops.

Item: \_\_\_\_\_  
CED Committee  
December 16, 2008

Ombudsman Program

Economic Development Staff shall continue to offer ombudsman services for new, prospective; and existing retail businesses. In districts with Merchants Associations and BIDs staff will continue to coordinate referral services as appropriate. Provide web portal featuring available retail sites, with links to brokers or property owners. The prospective Business Access Center could in part provide these services.

Task 1: Merchant Association/BID/CBD Program

Support business associations by providing promotional assistance including collateral marketing materials, linkages to nonprofit resources, trainings, etc. Support formation of new business associations. Provide consultant resources to business associations to augment their staff capacity.

- Action 1: Support existing business associations by organizing merchants and property owners, recruiting new retailers, training retailers and stakeholders, and providing ombudsman services to existing retailers.
- Action 2: Support formation of new business associations.
- Action 3: Provide organizational development services to business associations.
- Action 4: Provide parking tokens, discounted parking, etc. to merchants to encourage use of city-owned pay lots/garages.

Additional possible actions identified by staff

- Contract with the Oakland Merchants Leadership Forum for merchant and merchant organization development, assistance with key vacancies and recruitment, communication with merchant associations.
- Contract with a consultant to strengthen merchants, technical assistance, merchant groups, CBDs, addressing vacancies, leadership opportunities, communication with retail nodes, involve merchants.
- Continue to fund and manage the Merchant Area Assistance Program (MAAP), which promotes business organizing, thus contributing to vital shopping areas.
- Continue to work with Neighborhood Services Coordinators (NSCs) on educating merchants and business organizations about Crime Prevention Through Environmental Design principles.

Desired results: Make merchant groups more effective. Increase the number of merchant organizations and CBDs.

**Task 2: Marketing Program**

Develop consumer-oriented marketing campaign to promote new store openings and reinforce performance of existing retail districts.

- Action 1: Add retail business development resource material and more news to City website, including the Conley team's work, and news of Oakland's CBDs, feature districts.
- Action 2: Develop consumer-oriented marketing campaign to promote new store openings and reinforce performance of existing retail districts.
- Action 3: Modify [www.ShopOakland.com](http://www.ShopOakland.com) to be a more consumer-oriented and content-rich web portal to promote neighborhood districts, including retail maps and merchant lists, with links to merchant association and BID websites as available.

Additional possible actions identified by staff

- Modify Oakland's economic development retail web pages to be more dynamic, similar to San Jose's [www.sanjoseretail.com](http://www.sanjoseretail.com). (on-going)
- Participate in International Council of Shopping Centers (ICSC) trade shows and local meetings throughout the year in Northern California, Las Vegas and San Diego, including a "Meet the 80/880 Mayors" luncheon to be hosted at the Fox Theatre, January 29, 2009 (on-going)
- Updating and developing marketing materials. (on-going)

Desired results: Anyone who needs to know about retail in Oakland can easily find the information they need.

**Task 3: Retail Ombudsman Program, i.e., problem-solving services for retailers**

Economic Development staff shall continue to offer ombudsman services for new, prospective, and existing retail businesses. In districts with Merchants Associations and BIDs coordinate referral services as appropriate. Provide web portal featuring available retail sites, with links to brokers or property owners. *The prospective Business Access Center could in part provide these services.*

- Action 1: Provide direct services to retailers large and small seeking information, sites and funding assistance—staff conduct in-takes with an average 100 new retailers per year, and have about 15 quantifiable successes (leases signed, businesses retained, etc.) per year. (on-going)
- Action 2: Ensure that all information on vacancies are forwarded to [www.OMLF.org](http://www.OMLF.org), [www.CoStar.com](http://www.CoStar.com), [www.Rofo.com](http://www.Rofo.com) websites. (partially on-going)

Item: \_\_\_\_\_  
CED Committee  
December 16, 2008

Desired results: Continue to resolve regulatory and other issues faced by retailers and retail developers.

Task 4: Retail Institute

Annual training on retailer and shopping district topics, such as “retail marketing and merchandising,” “retail recruitment” and “assessing the health of your shopping district.” This could be modeled after National Trust Main Street Center and California Downtown Association workshops.

Possible actions identified by staff

- Plan and execute a restaurant boot camp, which includes restaurateurs, suppliers, lenders and City staff.
- Investigate Oakland retailers’ operational strengths and weaknesses, and what gaps there may be to determine what training might be warranted.
- Work with shopping district organizations to identify and recruit targeted retailers.

Desired results: Hold one retailer training institute by December 2009.

\* \* \*

**OBJECTIVE E. MAKE RETAIL ENHANCEMENT A PRIORITY THROUGHOUT CITY GOVERNMENT**

Task 1: Create Working Group

Create an informational policy-oriented and problem retail forum to educate staff about key issues affecting the Oakland Retail Enhancement Strategy and to solve problems affecting retailers. This will foster communication and facilitate interdepartmental problem solving for major retail development projects and retail initiatives. Organize speakers to brief the cabinet on key national and regional retail trends, including sales tax trends, retail store trends, virtual tours of recent comparable developments, developer/broker briefings, neighborhood retail performance trends. These meetings should be held at regular intervals (likely quarterly, unless needed more frequently). The cabinet will be convened by the City Administrator, including line management and staff from Redevelopment, Planning, Building, and Public Works; to be staffed by Economic Development.

Note: The Consultant recommended the creation of a Retail Cabinet and a Senior Retail Development Council, as described above and below. Staff believes the better combination of groups is to create a Retail Cabinet and a Retail Working Group, as described above and below, and to not have a Senior Retail Development Council as described by the Consultant.

- Action 1: Develop list of participants to be reviewed with City Administrator’s office.

Item: \_\_\_\_\_  
CED Committee  
December 16, 2008

- Action 2: Invite participants to kickoff meeting and develop priorities, meeting schedule, etc.

Possible actions identified by staff

- Coordinate with other City staff on retailer issues. (on-going)
- Have retail staff at all meetings involving retail project and mixed use development projects with retail components.
- Assign dedicated Planning and Building staff for retail.

Desired results: A retail cabinet that meets at least quarterly to advance retail projects.

**Task 2: Retail Cabinet (staff recommendations)**

The Oakland Retail Working Group will be composed of retail developers, brokers specializing in retail activity, retailers, consultants, designers, merchants, who will provide advice and feedback to staff regarding retail plans and assist with marketing Oakland retail opportunities.

- Develop list of participants and review with the City Administrator's office.
- Invite participants to kickoff meeting and develop priorities, meeting schedule, etc.

**Task 3: Incentive Program (staff recommendations)**

Currently the only monetary incentives offered to individual retailers and retail developers "off the shelf" are Enterprise Zone (EZ) tax credits and façade and tenant improvement (TI) funds for retail businesses in many commercial districts. Staff recommends the continuation of these as well as exploration of additional incentives. Possible incentives identified by staff include:

**Cost Neutral**

- Partner with EZ staff to market to retailers; this dovetails with EZ staff's mandate from the state to increase EZ marketing.
- Streamline permit process for retail/food sales and/or dedicated retail planner(s).
- Clients and staff able to make appointments at the permit counter.
- Get Public Works and Parking Enforcement to coordinate better with late-night businesses so that street cleaning does not penalize the businesses.
- Focus façade and TI grants in specific areas (which may change over time) so as to concentrate results.
- Partner with banks on bankers' net interest deductions on loans to EZ companies; do memorandum of understanding with partner banks; pass on the banks' savings to business development activities.

Funds required/Costs Incurred

- Explore establishing a relocation fund for existing retailers.
- Share sales tax revenue.
- Have a sales tax holiday.
- Subsidize large format store subsidies.
- Expand parking locations in targeted areas.
- Master lease key locations, buildings.
- Provide matching grants for retail expansion. Provide matching grants to artists/artisans for new location startup, relocation, security, entitlements, life safety upgrades (for community assembly uses).
- Provide matching grants for seismic upgrades.
- Explore promotion of retail in Oakland by for example, possibly being a sponsor of the Oakland Indie (local Oakland retailer) Awards (operated by the OneCalifornia Foundation), as well as possibly developing an Oakland retail property owner of the year award, Oakland retail developer of the year award, and Oakland chain retailer of the year award.
- Provide upfront redevelopment funds for retail development and/or off-sites.
- Provide parking tokens, discounted parking, etc. to merchants to encourage use of city-owned pay lots/garages.
- Provide free security, customer service, web and marketing consultations with designated consultants for retailers that make certain milestones (sign leases, buy property, open for business, expand, etc.).
- Explore creation of a retail expansion incubator.

Desired results: Make Oakland a competitive location for retailers.

**Task 4: City Policies (staff recommendations)**

In order to further foster retail in Oakland, staff will explore ways the City might make the following policies more retail-friendly.

- Action 1: Issue annual retail report to Council and possibly individual reports on individual retail components, such as grocery, local store program, etc.
- Action 2: Explore whether Oakland's Business Tax rates for retailers are onerous compared to neighboring cities.

Item: \_\_\_\_\_  
CED Committee  
December 16, 2008

Possible actions identified by staff

- Explore City's alcohol policies for full-service grocery stores and restaurants.
- Explore impacts on retailers of Oakland's Living Wage ordinance.
- Economic Development staff are working with Planning staff for ED staff to have more input into applicant projects.
- Create Redevelopment programming that supports retail establishment, retention and expansion.

Desired results: Make Oakland a competitive location for retailers.

**Task 5: Role of Elected officials (staff recommendations)**

Mayor and City Council play role of retail champion.

- Participate in retail strategy and negotiation meetings, encourage participation of community in determining neighborhood-based retail recruitment.
- Participate in ICSC events.
- Keep retail in mind as policy decisions are made.
- Understand that retail jobs, while not typically as high paying as other jobs, are good entries to the workforce and often offer flexible scheduling and promotion possibilities.

Desired results: Make Oakland a competitive location for retailers.

**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.

Item: \_\_\_\_\_  
CED Committee  
December 16, 2008

Low density suburban style retail development is not feasible. No particular environmental opportunities have been identified in the context of the Specific Plan due to the preliminary stage in the planning process. However, if such a planning process were to be undertaken, completed and approved, the consequent environmental review information will likely inform future City actions concerning clean up of contaminated areas, and green building, green business locations.

**Social Equity:** Growing the retail base in Oakland, leading to more retailers, will in turn provide increased employment opportunities, especially entry level jobs, as well as 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 as clean up of contaminated soils and groundwater due to past industrial activities, access to public parks and open space and other issues.

## **DISABILITY AND SENIOR CITIZEN ACCESS**

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

## **RECOMMENDATION AND RATIONALE**

Staff recommends Council adopt the Oakland Retail Enhancement Strategy and staff's recommendations as a guiding document for enhancing retail and making retail a major priority in Oakland. Staff will return with requests to implement specific actions as needed, for example budget authority, rezoning, consultant contracts, etc.

The purpose of the Retail Enhancement Strategy is to build upon Oakland's retail successes within a strategic implementation framework to leverage scarce land, fiscal, and staff resources. It is a central conclusion of the Strategy that no single action will reverse the City's long-term retail performance trend. In order to recapture the demand of its residents, employees and visitors, Oakland must have a full array of retail types, and must improve the function of retail in every part of the city.

Item: \_\_\_\_\_  
CED Committee  
December 16, 2008

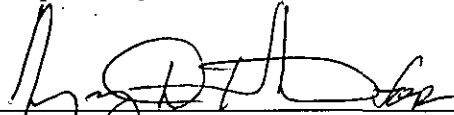


The larger retail opportunities need to be carefully guided, otherwise they will vanish and likely be unavailable again for a decade or more. Oakland must take a proactive, pro-retail stance as has been done with Upper Broadway. In the time since the Upper Broadway Strategy was completed, major retail developers have made contact with staff expressing interest and seeking information about opportunities in the area.

### **ACTION REQUESTED OF THE CITY COUNCIL**

Staff recommends Council adopt the Oakland Retail Enhancement Strategy and staff's recommendations as a guiding document for enhancing retail and making retail a major priority in Oakland. Staff will return with requests to implement specific actions as needed, for example budget authority, rezoning, consultant contracts, etc.

Respectfully submitted,

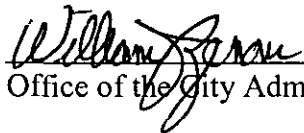


Dan Lindheim, Director  
Community and Economic Development Agency

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

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

APPROVED AND FORWARDED TO THE  
COMMUNITY AND ECONOMIC DEVELOPMENT COMMITTEE:

  
Office of the City Administrator

Item: \_\_\_\_\_  
CED Committee  
December 16, 2008