



CITY OF OAKLAND

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# AGENDA REPORT

TO: DEANNA J. SANTANA  
CITY ADMINISTRATOR

FROM: Fred Blackwell

SUBJECT: Monthly Economic Development Strategy Tracking      DATE: June 11, 2012

City Administrator  
Approval

Date

6/12/12

COUNCIL DISTRICT: City-Wide

## RECOMMENDATION

Staff recommends that the City Council accept this Monthly Tracking Report on Specific Actions and Outcomes on the preparation of the Economic Development Strategy for the City of Oakland

## EXECUTIVE SUMMARY

This report responds to the Community and Economic Development Committee's request for a standing monthly report to track actions and outcomes for the preparation of the Oakland Economic Development Strategy. The City Council has directed the development of a focused economic development strategy which prioritizes support for Oakland's existing businesses and fosters new investment, revenue and employment opportunities for Oakland residents. A brief overview of Economic Development activities in May 2012 is included in **Attachment A**. **Attachment B** is a brief summary of Small Businesses Loan Products available in Oakland.

For questions regarding this report, please contact Aliza Gallo, Economic Development Coordinator, (510) 238-7405.

Respectfully submitted,

Fred Blackwell, Assistant City Administrator

Prepared by:  
Aliza Gallo, Economic Development Coordinator,  
Office of Economic and Workforce Development

Attachment A: Monthly Strategy Development Outcomes  
Attachment B: Summary of Small Business Loan Products

Item: \_\_\_\_\_  
CED Committee  
June 26, 2012

**ATTACHMENT A:**  
**May 2012**  
**ECONOMIC DEVELOPMENT SERVICES**  
**ECONOMIC DEVELOPMENT STRATEGY**

Timeline	Goal	Actions/Outcome
May 2012 Activities	<p>Economic Development Program</p> <p>Business Development Services</p> <p>Enterprise Zone Program</p> <p>Business Assistance Services</p>	<p>Actions:            (Business Assistance Center, Enterprise Zone Program, CBD/BID Program, Brownfield Loan Program, Shuttle Program, Foreign Trade Zone, RMDZ Loan Program, Retail Attraction, Business Attraction , Retention &amp; Expansion Services)</p> <ul style="list-style-type: none"> <li>• 41 Clients served in month of May 2012</li> </ul> <p>New and Active Business Attraction Cases – <u>16 new businesses</u>, with potential for 1,000 new jobs gain (Birtcher Development, BARD Bio Fuels, San Francisco Regional Center Investments, Farmhouse Culture, Golden Gate Brewing Company, etc.,)</p> <p>New and Active Business Retention Cases- <u>15 existing businesses</u> with assistance in resolving operational needs or the potential for job loss of existing jobs (Transmeridien Warehouse, Everett Graphics, etc.,)</p> <p>New and Active Business Expansion Cases – <u>10 existing businesses</u> with potential for additional 445 new jobs in green industry, distribution, manufacturing and food businesses (Ecologic Brand, EV Go, Bed, Bath &amp; Beyond (Cost Plus) ; and 500-700 retail related jobs (Foothill Square Development, Safeway Stores Expansion, Chase Bank, etc.,)</p> <ul style="list-style-type: none"> <li>• Processed <u>273 employee vouchers</u>, serving <u>73 companies</u>, resulting in 25 new positions and 248 existing positions. 273 employee vouchers were for TEA residents, followed by 24 economically disadvantaged individuals at an average wage of \$15.03.</li> <li>• The Business Assistance Center <u>served 146 clients</u> (existing clients, walk-ins and phone inquiries). Business Services included – referrals to city certification programs, assistance with business license, financing referrals, demographic information and business location assistance.</li> </ul>

	<p>Business Outreach/Promotion Activities</p> <p>Grants Activities</p>	<ul style="list-style-type: none"> <li>• Oakland Mega Region Summit &amp; Broadway Corridor Tour</li> <li>• California Preservation Council Conference &amp; Tour – Oakland</li> <li>• ICSC RECon Convention</li> <li>• Small Business Assistance Event, sponsored by Council Member Brunner in conjunction with the Ethiopian Cultural Center and Anew America</li> <li>• East Bay EDA Leadership Panel to plan for the July 31<sup>st</sup> North/Western East Bay Small Business Symposium; expecting 400 businesses to attend financing and technical assistance workshops.</li> <li>• Inner City Advisors event, where 3 Oakland based businesses announced as top 100 Inner City Businesses (Revolution Foods #2; Premier Organics (#35) and Babette (#80).</li> <li>• Oakland Indie Awards Celebration</li> <li>• West Oakland, Broadway Valdez, Coliseum City Specific Plan meetings</li> </ul> <ul style="list-style-type: none"> <li>• Preparation of \$1.2m EDA Capital Improvements Grant for West Oakland Infrastructure Improvement Program, to be submitted in September 2012</li> <li>• Preparation of Private Funder Agreements, totaling \$152,000 for Broadway Shuttle &amp; Grant Reports for 3 major public funders (\$1.2m)</li> <li>• City representatives for MTC \$4.5m Sustainable Communities Regional Grant Implementation Program</li> <li>• City representatives for Jobs &amp; Innovation Accelerator Challenge Grant Proposal \$2.3m for East Bay</li> <li>• Preparation of Brownfield Program Close Out Agreement with EPA; processing two application for CALReUSE Brownfields Loan Program</li> </ul>
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<p>February – July 2012</p>	<p><b>Preparation of Overall Economic Assessment &amp; Indicators Report for Oakland</b></p> <p>An Economic Assessment Report will provide an updated comprehensive overview of Oakland’s current economic performance. Selected economic indicators such as: Socio-Economic demographics, employment data (labor market characteristics, unemployment and job growth); standard market performance analysis (retail, office, industrial, hotel industries); understanding of overall direct and indirect employment and business activities.</p> <p>The purpose of report is to identify strengths and weaknesses in Oakland’s economy to grow business and attract capital in ways that create quality jobs.</p>	<p><b>Actions:</b></p> <ul style="list-style-type: none"> <li>• UC Berkeley students started Project work in early May. Primary actions were research gathering and determination of which traditional and emerging sectors to track; sectors include: construction, manufacturing, retail, finance/insurance/real estate, professional services, personal services and small businesses. Emerging sectors are: life sciences &amp; bio-technology, clean &amp; green, small urban manufacturing, digital media, health care and non-profits. Created matrix of 20 indicators including information on the economic health and status of businesses, their employees, and real estate market influences. Economic Indicators Dashboard will be presented in July and will be updated on a quarterly basis.</li> <li>• Working with Karen Chappie, Ph.D., Associate Director, Institute for Urban &amp; Regional Development and Faculty Director, Center for Community Innovation, UC Berkeley to plan fall studio project on Oakland Economic Development Strategy.</li> </ul>
	<p><b>Creation of Oakland’s Key Economic Industries Strategic Action Plans</b></p> <p>Action plans will focus key activities to support and strengthen Oakland’s key existing sectors and industries and emerging sectors.</p>	<p><b>Actions:</b></p> <ul style="list-style-type: none"> <li>• Specialty Food Production Sector: Established partnership with Hope Collaborative on the Food Cluster strategy and began the data analysis and outreach of industry supplier and vendor businesses and development of Food Hub. Staff is preparing update of City Food Trail website to include new food and beverage businesses.</li> </ul>
<p>Ongoing</p>	<p>Coordination and Partnership with Workforce Investment Board and Workforce Development Program efforts.</p>	<p><b>Actions:</b></p> <ul style="list-style-type: none"> <li>• Economic Development staff participated in the WIB Employer Strategies Committee.</li> </ul>

## **ATTACHMENT B:**

### **Summary of Small Business Loan Programs Available In Oakland**

The City of Oakland has a number of non-bank sources of microloans and small business loans for companies that cannot obtain capital from commercial banks. These lenders all have different criteria, so it is important that a prospective borrower review the organization's web site and speak with a representative in order to obtain up to date information on loan products and other support that may be available. The following organizations are active in Oakland:

[www.obdc.com](http://www.obdc.com) – OBDC offers loans ranging from \$15,000 to \$250,000. OBDC uses a variety of both City and non-city loan funds to maximize opportunities for businesses starting or expanding in the city. OBDC is one of the few lenders nationally to offer SBA7a loans, and manages City loan funds which provide flexible capital in cases where borrowers cannot qualify for SBA products. OBDC also specializes in funding tenant improvements on blighted and underutilized properties. For more information, contact Jacob Singer, CEO, OBDC, @jacob@obdc.com.

<http://www.youthbusinessamerica.org/> - YBA offers small loans up to \$25,000 and is able to originate loans to borrowers who have severely impacted credit, including home based businesses. YBA is based in Oakland.

<http://www.opportunityfund.org/> - Opportunity Fund is a leading micro-lender primarily focused on loans up to \$50,000 to low-to-moderate income entrepreneurs. Opportunity Fund is based in San Jose but operates in Oakland.

<http://www.tmcworkinesolutions.org> – Working Solutions is a leading micro-lender based in San Francisco but active in Oakland specializing the SBA's microloan products. Working Solutions provides micro loans and small business loans from \$5,000 to \$50,000, along with technical assistance and education.

<http://onepacificcoastbank.com/> - One Pacific Coast Bank is a community bank based in Oakland that is focused on lending in low-to-moderate income communities, and is active in Oakland offering both SBA and non-SBA products. Their Business Builder Loan Program offers loans from \$5,000-\$25,000 to small businesses.

<http://www.grameenamerica.com/> - Grameen America Bank provides micro financing and other financial services to low-income entrepreneurs that fall below the federal poverty line. Their unique lending model provides short term loans, often as low as \$1,500 and a maximum of \$15,000. The organization is relatively new to the Bay Area; Oakland office is located in Fruitvale District.

<http://www.pacificcommunityventures.org> – Pacific Community Ventures offers business advisory services and through its affiliate, Pacific Community Management, loans are available to PCV clients. Business clients must have a minimum of \$250,000 annual revenue, 2+ employees; a small fee for loan processing.

<http://innercityadvisors.org/>- Inner City Advisors offers entrepreneurship education, management consulting, professional services and access to smart capital investments through a network of business advisors and experts. Clients are required to have approximately \$1-5m in revenue with the ability and desire to scale beyond \$5m and have been in business for at least 2 years. Portfolio clients are socially responsible businesses that are committed and located in an Inner city. ICA recently announced the creation of The ICA Fund to directly invest in its portfolio companies.

### Emerging Micro-Investor Financing

Startup entrepreneurs have turned to the Internet to raise funds through crowdfunding or crowdsourcing techniques and the leveraging of social media to reach micro-investors. Based on the "Friends and family" funding model, crowdfunding platforms use social media and the internet to secure donations.

The most popular is Kickstarter, which is a web-based campaign fundraising platform. Projects are restricted to creative businesses, usually start-ups, where a funding goal is set; pledges are secured within a defined campaign time limit. Several Oakland based small companies have used this strategy to provide flexible capital, mostly in exchange for future goods and services from the funded company.

The emerging field of crowdfunding has recently been aided by new federal legislation which is going to help small businesses find via the web small amounts of non-debt capital to help start or expand their business. The Jumpstart Our Business Startups (JOBS) Act legislation recently been passed will allow non-accredited investors to make equity investments and loans into privately held small businesses. The SEC and other agencies are currently developing rules for Implementation. Equity investments and loans from "friends and family" remain a primary method for small enterprises to obtain capital.