



FILED
OFFICE OF THE CITY CLERK
OAKLAND

2017 SEP 28 PM 5:13

AGENDA REPORT

TO: Sabrina B. Landreth
City Administrator

FROM: Mark Sawicki
Director, EWD

SUBJECT: Economic Development Strategy for
2018-2020

DATE: September 18, 2017

City Administrator Approval

Date:

9/28/17

RECOMMENDATION

Staff Recommends That The City Council Adopt a Resolution Adopting An Economic Development Strategy for 2018-2020.

EXECUTIVE SUMMARY

The proposed Economic Development Strategy has been prepared to communicate the City's shared economic values and goals, both internally and externally. It sets targets and metrics for the next three years, prioritizes immediate opportunities and initiatives, and highlights key long-term planning and investment to stimulate economic growth that is equitable and responsible. The Strategy builds on prior adopted sector- and geographic-specific studies, area specific plans, the Resiliency Playbook, and Transportation Strategic Plan. It recognizes that many departments play key roles in sustaining a local environment that expands opportunities, unlocks potential, and ensures every Oaklander benefits from and participates in prosperity.

BACKGROUND / LEGISLATIVE HISTORY

The City's last Economic Development Strategy was adopted in 1997. Since then, the City has gone through cycles of growth and decline, and public tools for stimulating and regulating the economy have substantially changed. In 2012, the State of California abolished Redevelopment agencies, curtailing the City's available resources for economic development. In 2014 President Obama signed the Workforce Investment and Opportunity Act, which changed the priorities and processes related to the distribution of workforce development resources.

Absent a current City-wide strategy, staff relies on several other efforts to direct economic development activities, including six adopted Area Plans, the Oakland Climate Action Plan, the Workforce Strategic Plan, the Housing Equity Roadmap, the Resiliency Playbook and Transportation Strategic Plan, and previously published economic studies that are now 10 and 20 years old. (Attachment B, Appendix 4 summarizes these related plans.)

Building on these efforts, over the last three years City staff met with internal and external stakeholders to gather input into the creation of a new City-wide Economic Development

Item: _____
CED Committee
October 10, 2017

Strategy designed to communicate the City's shared economic values and goals both internally and externally, and recognize that many City departments play key roles contributing to the local environment for economic development.

In 2015, the Community and Economic Development (CED) Committee heard a preliminary report on preparing a new Economic Development Strategy, outlining the concept and public engagement to be undertaken. Among other feedback, Council directed staff to focus the Strategy on implementation.

In April 2017 Staff returned to CED Committee with a first draft of the Economic Development Strategy that described in detail the City's activities and partnerships related to economic development. Council feedback identified priorities around manufacturing and industrial land, opportunity sites, safety and cleanliness, businesses owned by people of color, performance metrics, job creation, and small business development and support. Economic Development staff also participated in the Small Business Task Force, which also presented recommendations to Council in April 2017.

This proposed The Economic Development Strategy was revised to provide greater focus on both immediate opportunities and initiatives to stimulate economic growth that is equitable and responsible, as well as highlight key long-term planning and investments for future sustainable growth. It includes a set of values, targets and metrics for guiding implementation over the next three years. Under this Strategy, the reporting process for the Economic & Workforce Development Department will shift from reporting on activities to tracking progress towards achieving these Citywide goals.

ANALYSIS AND POLICY ALTERNATIVES

The purpose of creating an Economic Development Strategy is to forge consensus around values, goals and objectives that will guide the Administration's workplan towards shared prosperity, or equitable economic development. The Economic Development Strategy began with the following inputs:

- A series of focus groups, including Arts, Retail, Green and Clean, Manufacturing, Transportation, Equity, Small Business, Anchor Institutions, and Oakland's Role in the Region, ultimately engaging over 100 participants. (Summarized in Appendix 3)
- Interdepartmental meetings and a half-day charrette
- Participation in an online survey
- Attendance at standing meetings in East and West Oakland covering local economic development priorities.
- An analysis of current economic conditions (Appendix 1)
- A Document Review and mapping of the proposed development and infrastructure pipeline (Appendix 4)

The focus groups uniformly voiced equity as a value and named Oakland's diversity as one of its strongest assets. Business representatives identified positive outcomes from adopted and implemented Specific Plans, such as our major hospitals benefitting from improvements related to the Broadway-Valdez Specific Plan, as well as their hopes for infrastructure projects for which

Item: _____
CED Committee
October 10, 2017

they were still waiting. Participants frequently cited issues such as the cost of housing and illegal dumping as the biggest economic challenges. Based on this input, Staff developed an Economic Development Strategy that recognized the essential contributions of multiple City Departments to Oakland's economic climate, including Planning & Building, Housing, Transportation, and Public Works.

The first draft Strategy, released in April 2017, identified core principles and values related to economic development and a set of goals and actions. These were meant to inform the City's Economic & Workforce Development Department workplan over the next five years, while also fostering coordinated efforts across City departments. Some of the recommended goals and actions, such as improved digital services for businesses or the creation of a Cultural Arts Plan, are already underway.

The revised proposed draft reasserts these same values, but reframes the Economic Development Strategy as a set of targets and metrics. Targets are projected goals for City activities, such as businesses served, households protected from displacement, infrastructure built and maintained and revenue generated. Metrics are projected goals for the larger Oakland economy, such as jobs created, homes built, and household wealth created.

If adopted, these targets and metrics will become the basis for the ongoing reporting that the Economic & Workforce Development Department makes to the CED Committee. Staff will shift from the current quarterly activities report to a report three times a year on progress towards the adopted Economic Development Strategy targets and metrics. Our hope is that these reports will allow us to focus our activities on a shared set of goals and demonstrate whether alternative actions or additional resources will be needed to accomplish them. Staff will also convene an informal Economic Development Roundtable of key departments to monitor and guide progress. The Economic Development Strategy may be used on an ongoing basis to set and maintain priorities, inform budget and resource allocation decisions, and foster internal collaboration.

Finally, the Economic Development Strategy is also an external communication tool to convey the City's values and goals related to economic development, workforce development, and community investment to external partners—including community members, businesses, and potential investors.

FISCAL IMPACT

A primary purpose of economic development is to encourage investment in Oakland that expands the economic base, thereby increasing City revenues available to fund essential City services and community benefits. The Economic Development Strategy seeks to continue to grow City revenues and target projects that maximize City fiscal benefits as well as indicate where the City should make additional or targeted efforts to achieve more equitable development and distribution of resources.

PUBLIC OUTREACH / INTEREST

The Economic Development Strategy team has conducted 10 focus groups representing different industries and economic segments and an online forum. Staff has also attended and incorporated input from additional meetings on economic development in East and West Oakland.

COORDINATION

The following departments have informed the creation of the Economic Development Strategy:

- Planning & Building
- Public Works
- Transportation
- Race & Equity
- Human Services
- Housing and Community Development
- Resiliency
- Mayor's Office

The Economic Development Strategy includes targets and metrics that have been previously determined by the Housing Equity Road Map, Resilient Oakland Playbook, and Transportation Strategic Plan.

SUSTAINABLE OPPORTUNITIES

Economic: The successful implementation of an Economic Development Strategy can yield growth in business activity, jobs and training, investment, wealth building, and overall economic security of residents.

Environmental: The Economic Development Strategy includes goals and actions to improve the business climate, including blight remediation and infrastructure improvements, and refers to disaster preparedness as addressed through other City efforts.

Social Equity: The Economic Development Strategy identifies racial and gender disparities in Oakland's income, employment, and business ownership levels and includes targets and metrics to increase the economic strength of women and people of color. The Strategy also includes targets for housing affordability, protecting households from displacement and increasing retail and healthy food access in underserved neighborhoods.

ACTION REQUESTED OF THE CITY COUNCIL

Staff requests that the Council adopt a resolution adopting the Economic Development Strategy.

For questions regarding this report, please contact Marisa Raya, Economic Development Strategy Project Manager, at 510-238-6230 or mraya@oaklandnet.com.

Respectfully submitted,



Mark Sawickj
Director, Economic & Workforce Development

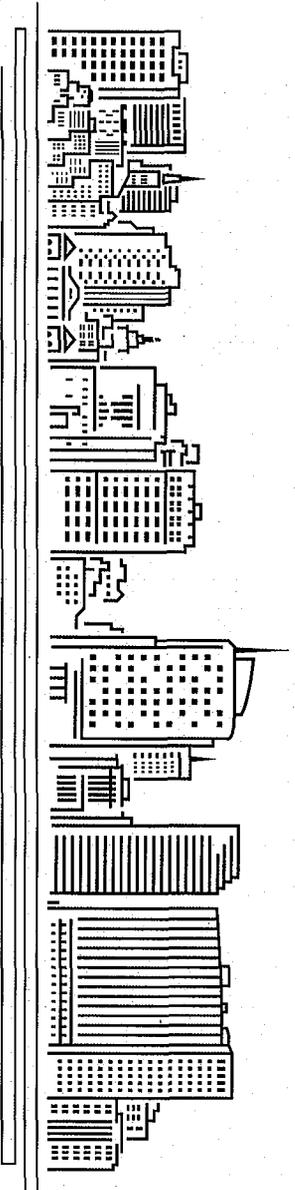
Prepared by:
Marisa Raya, City Administrative Analyst
Special Projects

Attachments (3):

- A. Economic Development Strategy
- B. Economic Development Strategy Appendices, including Implementation Spreadsheet, Current Economic Conditions, Focus Group Feedback and Document Review.

Economic Development Strategy

2018-2020



City of
Oakland

Background

- Spring 2017 - 1st Draft Strategy presented to CED identified broad macro-level goals, values, and programs based on feedback from the Council and our community.
- Summer 2017 – staff worked with Mayor’s Office, CAO, and other City departments to create a more specific Strategy, and to establish metrics and indicators to clearly identify what success looks like and ensure we are tracking progress.



City of
Oakland

The Current Economic Development Landscape

Oakland's economy has undergone rapid transformation, with both positive and negative impacts:

+

- Unemployment down to 4.9%
- Educational attainment has improved
- Office vacancy rates down to 6%
- 3000 homes under construction and 17,000 units in the pipeline
- Record-breaking tourism

-

- Huge increase in housing costs and homelessness
- Racial income gap has remained or increased
- Cost of business has gone up
- Traffic congestion has worsened



City of
Oakland

Our Challenge

How can we harness this growth to match our values and deliver high-impact programming and services for long-time residents of Oakland, now and for years to come?



City of
Oakland

Our Goal

To make Oakland an easy, efficient, and prosperous place to do business, and to help all Oaklanders achieve economic security and have equitable opportunities to prosper and thrive.



City of
Oakland

Our Values

This strategy is grounded in a set of underpinning values that reflect the input, feedback, and insights from our community:

- **Economic Security**
- **Equity and Diversity**
- **Growing Good Jobs**
- **Fiscal Sustainability**
- **Efficiency**
- **Shared City Responsibility**
- **Collaboration**
- **Transparency**



City of
Oakland

High-level Objectives

This strategy establishes the following high-level objectives:

- Oakland's economy will continue to grow, with a 10% increase in per capita gross regional product by 2020
- The number of Oaklanders making less than a living wage will be reduced by 50%
- The asset poverty rate of African Americans (63%) and Latinos/as (69%) will be reduced by half



City of
Oakland

Three Year Goals

- We will support more than 1,000 businesses each year
- The economy will add 2,800 jobs each year
- We will give 12,000 Oakland residents access to job training services each year
- We will achieve a 90% business satisfaction rating for City's assistance and services
- We will support the construction of more than 4,250 new homes, including 1,200 below market rates, while protecting 5,000 households from displacement
- Our public-private development investments will earn \$30 million in one-time revenues and \$16 million in annual City revenues to fund City services and programs
- We will spend \$120 million on transportation infrastructure and other public improvements, including paving 1,100 City blocks



City of
Oakland



Working for Today

Working for Today

Supporting Oakland's Businesses

- Supporting small businesses
- Supporting businesses owned by people of color and women

Developing Oakland's Workforce and Increasing Economic Security



City of
Oakland

Working for Today

Improving Oakland's Economic Climate

- Streamlined City services
- Shared departmental responsibility
- Public-private collaboration



City of
Oakland

Building for Tomorrow

Building for Tomorrow

Priority Developments

- Opportunity areas for development
- Major development projects



City of
Oakland

Building for Tomorrow

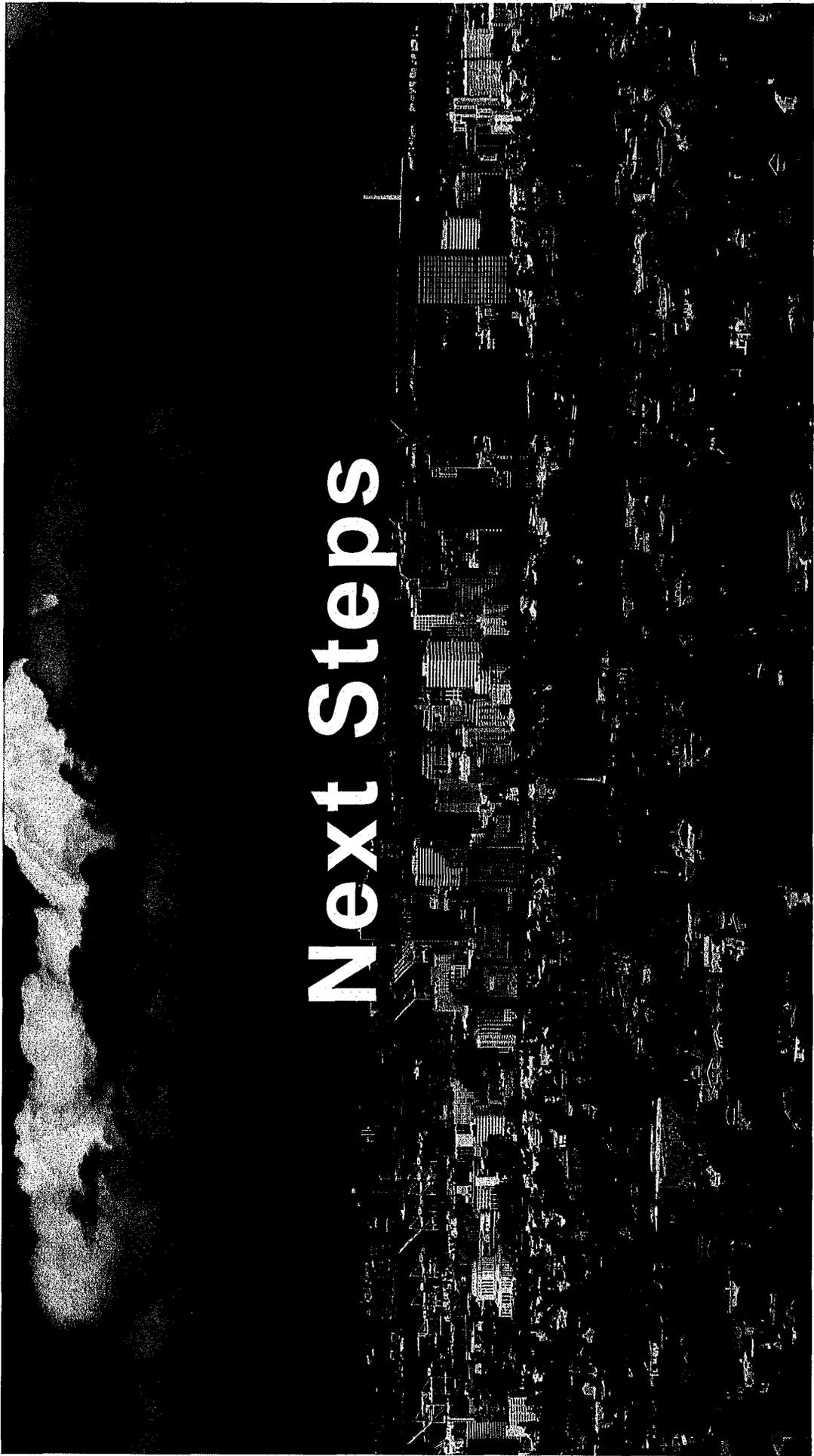
Industry Sector Growth

- Manufacturing, logistics, food and beverage production
- Retail
- Tourism and hospitality
- Culture and the arts
- Attracting businesses into key industries



City of
Oakland

Next Steps



Implementing the Strategy

The Strategy identifies both immediate, short-term, and long-term priorities.

To ensure coordination and implementation, we will establish an informal working group of key stakeholders from the Mayor's Office, City Council, CAO, six City departments, and other organizations.

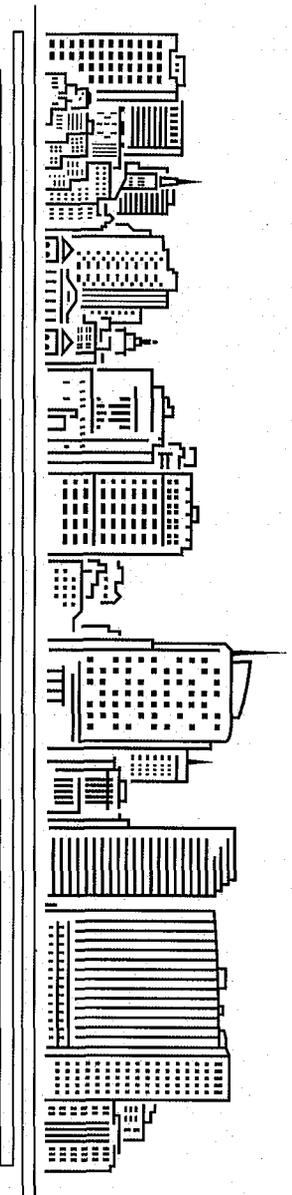
Report on progress to CED 3x/year.



City of
Oakland

Economic Development Strategy

2018-2020



City of
Oakland



City of Oakland Economic Development Strategy

2018-2020



City of
Oakland



Message from the Mayor	3
Introduction	5
About this Strategy	10
High-level Objectives	12
Working for Today	14
Supporting Oakland's Businesses	15
Developing Oakland's Workforce and Increasing Economic Security	18
Improving Oakland's Economic Climate	20
Building for Tomorrow	24
Priority Developments	25
Industry Sector Growth	28
Appendices	32



Libby Schaaf
Mayor

Dear Oaklanders,

As we are all aware, Oakland is experiencing rapid growth – we have more residents, construction, and investment than we’ve seen in a long time. This is leading to a lot of change. On the very positive side, overall unemployment has plummeted, commercial vacancies are being filled, business and tourism are thriving, and more residential units and office space are being built. But on the negative side, rents are increasing, the cost of business is going up, streets are becoming more congested, and we are feeling the pressure of outside forces changing the Oakland we love. And, as in most of California and the country, the City’s increasing operating costs continue to create budget challenges, while equity gaps between whites and other groups persist and are even worsening. For many long-time residents, who have suffered through lean years, this can be unfair.

However, I believe Oakland is uniquely positioned – in terms of values and opportunity – to chart a course for responsible economic development. Our community has always held a shared belief in equity, inclusive growth, and love of our hometown. As City officials, it is our responsibility to foster these values and deliver not only effective, supportive services but also to create opportunities for all Oaklanders, especially those who are most adversely affected. We cannot just focus on meeting the challenges of today, but must also prepare for tomorrow by creating and attracting new and better jobs for the next generation of Oaklanders. With that goal

in mind, it is crucial we identify new sources of revenue, grow our strengths, and mitigate our weaknesses. Fortunately, for the first time in many years, we have a chance to do this responsibly and smartly.

In this document we have outlined an economic development vision and strategy for Oakland that will help us control our own destiny, set our own priorities, and secure the resources needed to thrive now and for years to come; this vision is built around supporting minority-owned and small businesses, streamlining tedious bureaucratic processes, creating workforce development programs that give residents the tools needed to soar, partnering with the private sector to derive greater community benefits from key development projects, and embracing Oakland's cultural heritage. This strategy is designed to reduce our dependency on tax increases and bond measures by building industries for tomorrow and seizing the most actionable growth opportunities. We have set clear timetables and specific measurable goals, so we know exactly where we are going and how to get there.

Rather than react to economic development fearfully and as something thrust upon us, we must harness it for the greater good. The sudden growth we have all been experiencing does not need to be a negative, a gentrifier or a displacer. I believe this is the moment to unlock the potential of Oakland, expand our opportunities, and aggressively take action to ensure every Oaklander benefits from and participates in this prosperity. Responsible economic development strategies can generate revenues to help our City manage budget challenges and deliver sound services, as well as open the door for programs and investments in our community that we have long been hoping to make. This is truly our time to responsibly shape our City and our future. This is Oakland's moment to thrive.

Sincerely,

A handwritten signature in black ink, appearing to read "Libby Schaaf". The signature is fluid and cursive, with a large loop at the end.

Mayor Libby Schaaf



Introduction

Over the past several years, the Bay Area's remarkable growth and shifting cultural preferences for urban living have converged to dramatically alter Oakland's economic and demographic landscape. In general, our labor force has grown, unemployment has dropped, and the number of high school and college graduates has increased. Additionally, our real estate market – residential and commercial – is growing quickly while vacancies dwindle.

Still, as new economic opportunities arise daily, this sudden growth has not benefited Oakland residents and businesses equitably. The cost of commercial and residential spaces has rapidly escalated in the last three years leading to the displacement and insecurity of local businesses, non-profits, artists, makers, and long-time residents who are the backbone of our community.

Furthermore, while unemployment rates for African-American, Latino, and Asian populations have declined significantly,¹ this increased employment has not resulted in higher median incomes or in narrowing the racial income gap.

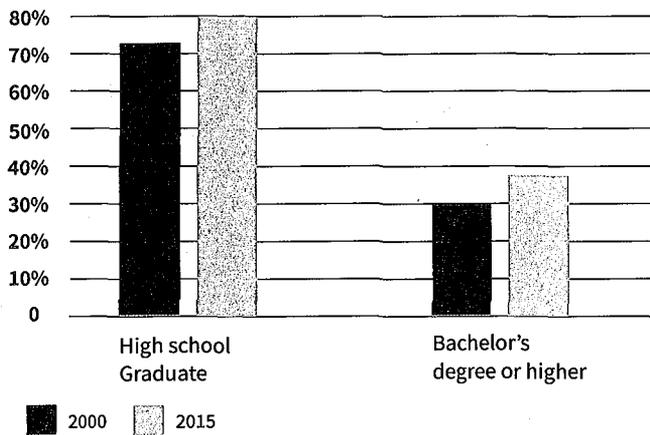
This strategy recognizes that economic growth in Oakland is not sufficient if the benefits are only felt by one portion of our community. We have to pursue economic development that creates inclusion and racial equity. Prosperity must be more equitably shared and, in light of the statewide dissolution of redevelopment agencies and shifting federal priorities, the responsibility falls ever more on local government to ensure we grow steadily and responsibly.

¹African-American unemployment fell from 25% in 2013 to 9% in 2015; Latino/a and Asian unemployment fell from 11% to 7% and 8%, respectively

Oakland

POP: 420,005

Oakland Educational Attainment (Ages 25+)



5.4%
Unemployment

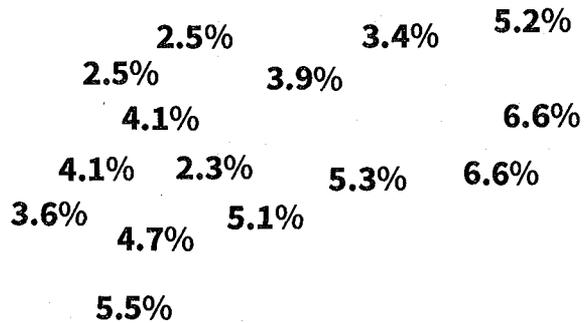
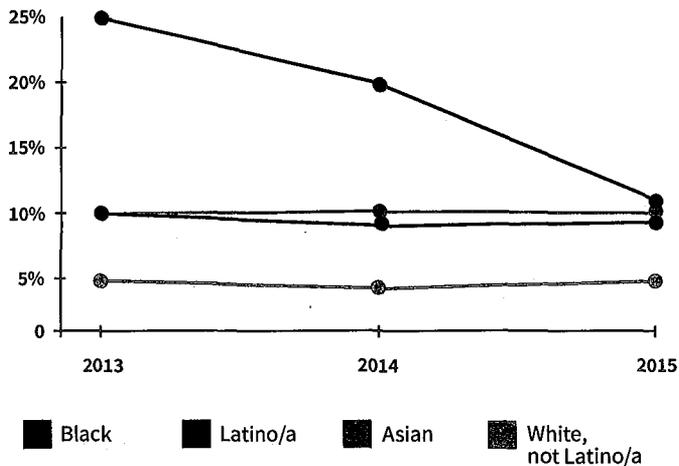
180,743
Jobs in Oakland

215,370
Labor Force

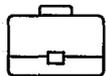
24%
Oakland Workers
who Live in Oakland

CA Employment Development Department
(Aug 2017), Census LEHD,
Jobs Figure is 2016.

Unemployment by Race and Ethnicity, 2013-2015



Unemployment by Zipcode April 2017, CA Employment
Development Department Estimated



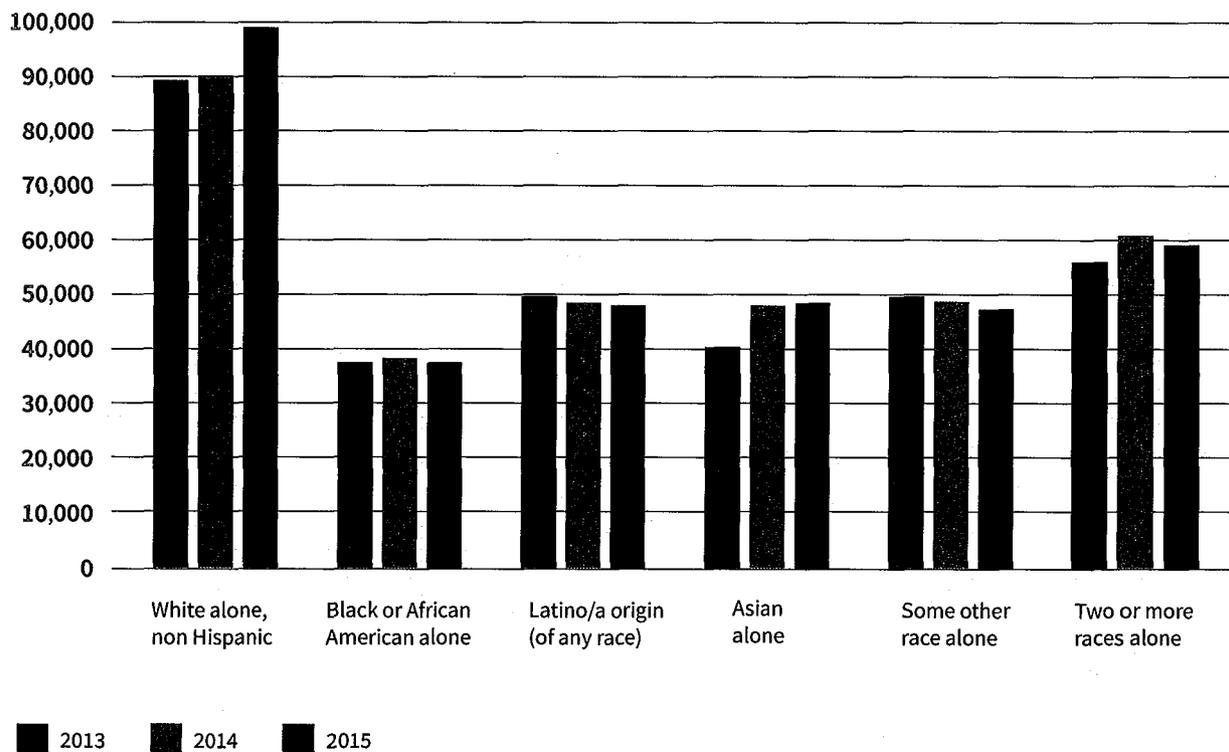
44,800
Businesses

43%
Women-owned

51%
People of Color-owned

US Census Survey of Business Owners, 2012

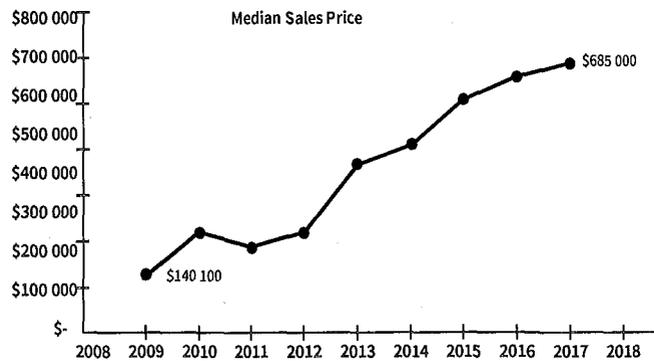
Median Incomes in Oakland by Race or Ethnicity



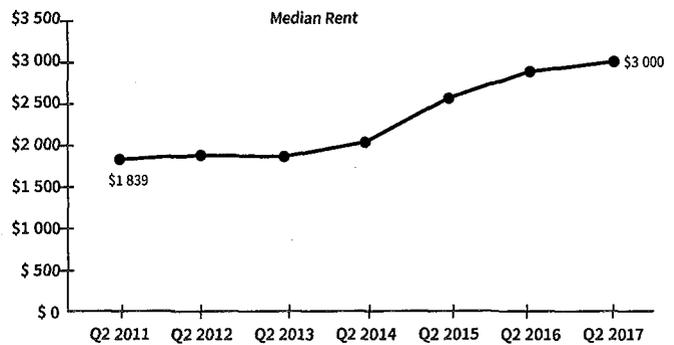
Source: CA Employment Development Department, Bureau of Labor Statistics, US Census

Residential Real Estate

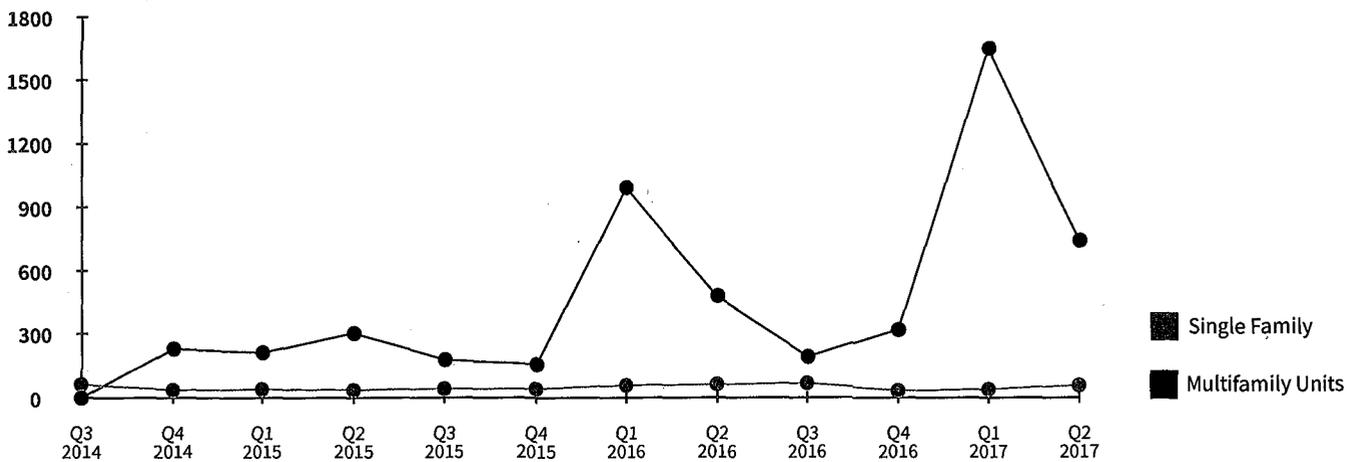
Median Single Family Home Price



Quarterly Rent Average



Residential Building Permits



Development Pipeline

H

Housing

3,006 Units Under Construction

8,990 Units Approved

8,249 Units Pre-Application or in Review

C

Commercial Industrial

2,021,570 Square Feet Under Construction

3,225,350 Square Feet Approved

3,705,600 Square Feet in Pipeline

Sources: HdL Companies, JLL, Zillow, CoStar Market Analytics, City of Oakland Planning & Building Department.

Dashboard Compiled by Economic & Workforce Development Department.
Contact or Subscribe: mraya@oaklandnet.com

Commercial Real Estate (Q2 2017)

Industrial
Vacancy: **2.0%**

Office
Vacancy: **6.6%**

Retail
Vacancy: **3.2%**

Rent/
square foot: **\$9.27**

Rent/
square foot: **\$41.54**

Rent/
square foot: **\$22.68**

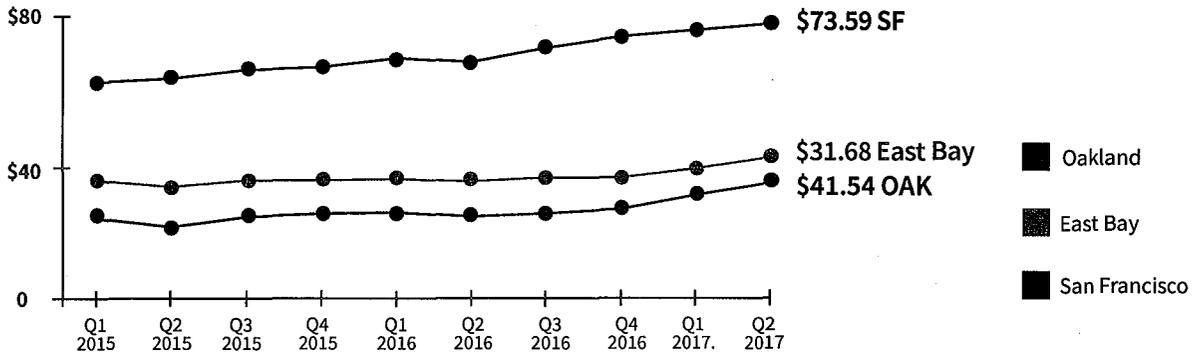
East Bay: **3.6%, \$11.50**

Downtown: **6.6%**
\$49.63

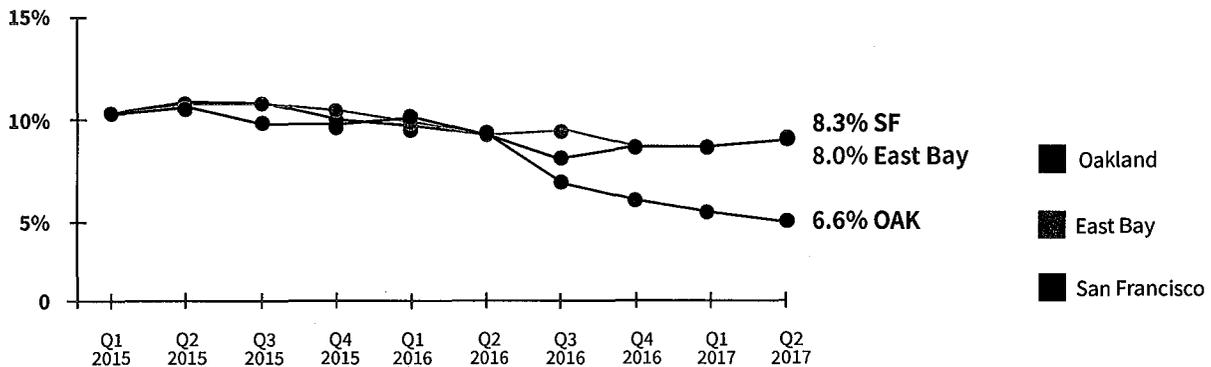
East Bay: **3.4%, \$25.54**

East Bay: **8%, \$31.68**

Quarterly Rent Average



Office Vacancy Rates



About this Economic Development Strategy

This Economic Development Strategy is divided into two sections – the first examines opportunities and initiatives that are immediate priorities for the City, while the second looks toward the future and highlights key areas the City should be prioritizing for long-term planning and investment.

Each objective and goal was established after extensive engagement with residents, business owners, civic leaders, City elected officials, and staff from multiple municipal departments. They are in alignment with our broader resiliency strategy so that we can close inequity gaps over time and are prepared to respond to sudden and unforeseen circumstances. They are actionable, measurable, and impactful.

Furthermore, the entire strategy is grounded in a set of underpinning values that reflect the input, feedback, and insights from our community. These values will be the foundation and guiding principles for all the City's economic development efforts to help ensure Oakland remains a unique, special place to live and do business.

Economic Security

Enable all residents to be economically secure, build wealth, and achieve their full potential

Equity and Diversity

Reduce racial and gender gaps in employment, income, and ownership; maintain diversity

Growing Good Jobs

Help businesses to thrive so they can preserve and add living wage jobs

Fiscal Sustainability

Expand the City's revenue base to better fund services and community investment

Efficiency

Optimize public benefits from limited public resources

Shared Responsibility

Recognize that economic development is a City-wide responsibility shared by many departments

Collaboration

Support internal collaboration and external partnerships

Transparency

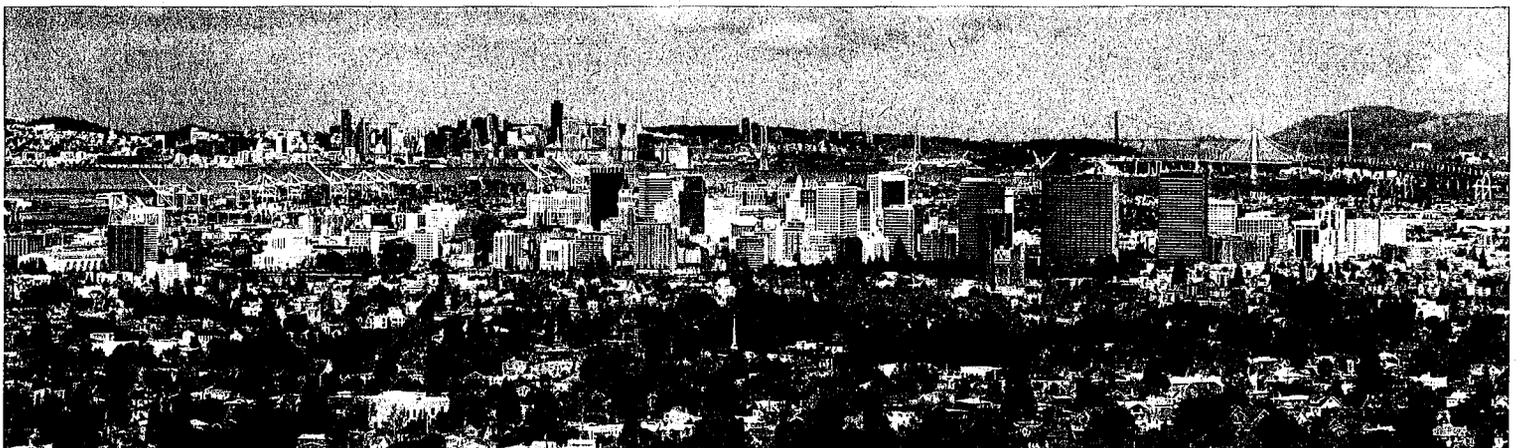
Increase community awareness and engagement

Additionally, this document establishes specific and measurable goals and key performance indicators in order to maximize limited resources. Given City staff and budget constraints, we have to invest and act responsibly and use objective criteria to determine which programs will have the best outcomes for the most residents. We will also start to focus on achieving racial equity by identifying, measuring, and implementing equitable development strategies in key areas.

This metric-based approach will also be a useful tool for tracking our progress, evaluating performance, and ensuring the City is accountable and living up to its commitments in an open and transparent way.

Although changing market conditions will impact our ability to achieve these goals over the next three years, knowing where we should be will help us focus on those areas most in need of intervention.

Our goal: to make Oakland an easy, efficient, and prosperous place to do business, and to reduce racial disparities and help all Oaklanders achieve economic security so that everyone has an opportunity to thrive.



This plan establishes the following high-level objectives:

1. Oakland's economy will continue to grow, with a 10% increase in per capita gross regional product by 2020.²
2. The number of Oaklanders making less than a living wage will be reduced by 50%.³
3. The asset poverty rate of African Americans (63%) and Latinos (69%) will be reduced by half.⁴

Over the next three years, the City will monitor and report progress on these objectives, taking remedial action as required. We will also develop office, industrial, and commercial space on City land to meet future demand and will support arts, culture, and tourism infrastructure, including the creation of new hotels and convention space. We will strive to maintain a balanced economy by using policy and planning tools to spur different kinds of development and land use, support a diverse range of business sectors, center racial equity and increase access to opportunities for marginalized communities.

The goal of this economic development strategy is to improve the quality of life for all Oaklanders, but reaching our stated goals requires not only collaboration with our community, but also across City government. To this end and to ensure coordination of resources and priorities,

we will convene representatives from the following City departments and stakeholder groups to participate in informal discussions on implementation of the strategy:

- Mayor's Office
- Council's Community & Economic Development Committee
- City Administrator's Office
- Economic & Workforce Development Department
- Planning & Building Department
- Housing & Community Development Department
- Department of Public Works
- Department of Transportation
- Department of Race and Equity
- Stakeholders such as Chambers of Commerce, East Bay Economic Development Alliance, and others.

The group will meet on a bi-monthly basis and provide oversight, direction and feedback on the implementation of the specific projects outlined in this document while also monitoring the City's progress on achieving its goals. To ensure transparency and awareness, regular status reports will be made three times a year at the Council's regular Community & Economic Development Committee meetings.

To support our high-level objectives, the City has set the following key specific and measurable goals for the next three years:

1. We will support more than 1,000 businesses each year
2. The economy will add 2,800 jobs each year
3. We will give 12,000 Oakland residents access to job training services each year
4. We will achieve a 90% business satisfaction rating for the City's assistance and services
5. We will support the construction of more than 4,250 new homes, including 1,200 below market rate homes and permanent supportive homes for the homeless, while protecting 5,000 households from displacement
6. Our public-private development investments will earn \$30 million in one-time revenues and \$16 million in annual City revenue to fund City services and programs
7. We will spend \$120 million on transportation and other public infrastructure – including repaving 1,100 City blocks – and other City facilities, including fire stations, libraries, and recreation centers
8. We will conduct a Racial Equity Analysis to evaluate existing conditions, analyze impacts, and maximize positive outcomes for communities of color, English learners, and low income communities.

²Oakland's per capita gross regional product includes earnings, income, and tax revenue.

³Currently, 25% of Oakland households receive wages less than \$26,000 year, according to US Census data.

⁴Asset poverty is a household's inability to access wealth resources that are sufficient to provide for basic needs over a three month period. In Oakland this figure is defined as \$6062 in savings or liquid assets.

Working for Today

Oakland's population has grown 7% since 2010, from 391,000 people to 420,000 people, while the number of working Oaklanders has grown almost 20% from 170,000 to 215,300. With these growth rates expected to continue, it is essential to address our immediate challenges and foster a stronger environment for investment while finding ways to give marginalized businesses and residents the tools and access they need to thrive now.

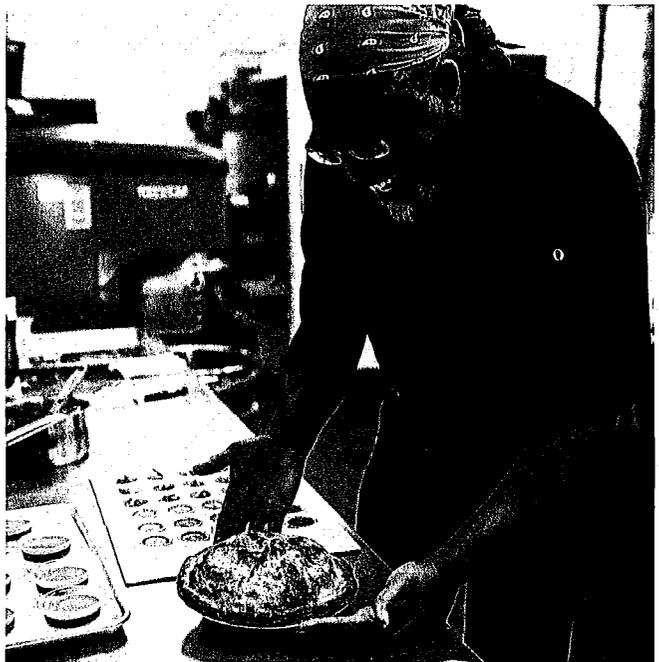
Under this economic development strategy, the City will focus on policies and programs that create stronger business environments, encourage investment, provide clean and safe commercial corridors, modernize industrial corridors, enhance business support services, foster public-private partnerships, and help train residents so they can access good-paying jobs. This strategy will help to ensure a sustainable balance between large and small businesses so they can produce more jobs, provide local services, and further contribute to the city's vitality.

Supporting Oakland's Businesses

Since 2010, Oakland has added over 4,000 businesses and diversified our sector portfolio. In addition to maintaining and growing our historic strength as the Bay Area's major health, transportation, and logistics hub, Oakland has also gained increasing local and national attention for its arts scene, solar and green energy cluster, food production, and "maker" movement of artisans, industrial fabricators, and manufacturers. The City will continue to support the growth of both our historic sectors as well as emerging ones, in order to achieve a thriving and equitable economic development program.

Under this strategy, the City will support Oakland's businesses both large and small. We will support the City's larger businesses – primarily hospitals and transportation agencies – to expand; to create local supplier, vendor, and community partnerships; and to access local talent. We will support emerging industry sectors,

helping entrepreneurs – especially people of color and women – to become business founders and attract investment and grow. Together with the City's investment in housing, transportation, infrastructure, and public spaces, these initiatives will help Oakland retain and attract business investment and the jobs and tax revenue this investment generates.



Supporting small businesses

Firms with 50 or more employees supply only one-fifth of the jobs in Oakland; 92% of Oakland's businesses have fewer than 20 employees. Small businesses are, therefore, a critical component in the City's economy as well as important sources of local goods and services, cultural staples for local communities, and vehicles for significant job growth as they expand.

To support new and existing small businesses, the City will follow the recommendations of the Small Business Task Force and create an ongoing advisory group that can work with staff to identify improvements which will create a stronger business support system. Through this advisory group we will make enhancements to business services including, but not limited to:

- Streamlined and simplified permit navigation
- Access to market research
- Location assistance
- Financing and technical assistance referrals
- Entrepreneurship education
- Succession planning
- Supporting the formation and expansion of incubators and industry-specific associations



These initiatives will be instrumental in helping bring new businesses to Oakland, while also retaining and expanding those already here. We have set goals of directly supporting the creation of 100 new businesses and servicing 500 existing small businesses annually. Our support of the Kiva Oakland program will allow 200 entrepreneurs a year to crowdsource loans that can generate \$6 million in economic impact by 2020. Additionally, the City will also conduct a targeted geographic outreach to at least 500 businesses in low-income neighborhoods each year to raise awareness of the availability of business support services.

In 2018, the City will re-position the Business Assistance Center to be a first-call contact for small businesses. The City will supplement business development staff with digital tools to guide more businesses through formation, financing, and permitting. This will include identifying resources, supporting the formation of local business organizations, and engaging philanthropic and business development partners. Finally, the City will provide an easy and transparent process to create worker-owned cooperatives.

Supporting businesses owned by people of color and women

While assisting all businesses will help our community overall, we are particularly concerned about addressing race and gender disparities and how to best live up to the ideals of Oakland's Race & Equity Ordinance.⁵ Not only is this the right thing to do, but it is the economically responsible thing to do. More than half of Oakland's businesses are owned by people of color and 48% are owned by women.⁶ Furthermore, between 2007-2012, both Latino- and Black-owned businesses in Oakland grew more than 50%. Black women are the fastest growing entrepreneur demographic in the United States.⁷

This base represents a competitive advantage and growth opportunity for Oakland, but we must do more to ensure its success. Despite growth of Latino/a- and Black-owned firms, employment and revenue numbers still lag behind white and male-owned Oakland businesses. In fact, revenues for businesses owned by people of color generated less than 10% of all business revenues in 2012, and revenues for women-owned businesses dropped 25% between 2007 and 2012.

Under this strategy, the City will make concerted efforts to help businesses owned by people of color and by women expand their capacity and market share.

Specifically, by 2020, we want to grow revenues by 40% for businesses owned by people of color and, during that same time frame, have women-owned businesses in Oakland exceed the growth rate of all businesses nationally.

To reach these goals, the City will intentionally target business support services designed to remove barriers for underrepresented populations and neighborhoods, with the goal of directly supporting over 600 businesses owned by people of color and women annually by 2020.

As an example, the Oakland Startup Network is a partnership with tech industry leaders supporting female tech entrepreneurs and entrepreneurs of color. The goal of this partnership is to engage 1,000 entrepreneurs over 18 months and incubate 30 startups for potential launch. When this program concludes in 2018, the City will seek partnerships and resources to replicate this effort and address racial wealth disparities in other sectors.

The City will also work with Oakland's ethnic Chambers of Commerce and other business service providers to strengthen business networks and establish supplier relationships, including hosting three workshops a year to support supplier certification and partnerships with public and private institutions.

⁵The Race & Equity Ordinance states that determinants of equity include "community economic development that supports local ownership of assets, including homes and businesses, and assures fair access for all to business development and business retention opportunities."

⁶Both exceed national averages where people of color and women own 30% and 36% of businesses, respectively

⁷US Survey of Business Owners

Developing Oakland's Workforce and Increasing Economic Security

To retain, attract, and grow successful businesses, a city needs to develop and foster a talented workforce, and for Oakland, this means finding pathways to ensure that current and long-term residents have access to postsecondary education and training programs that can equip them to compete and secure good-paying jobs and careers.

In recent years, the City has seen a significant increase in the labor force participation and employment rates across all demographics. However, while we want to maintain our low unemployment rate, we must also address income gaps and promote economic security for all residents. This means upskilling more

residents and removing barriers to employment for marginalized groups.

Over the next ten years, we will triple the number of college graduates from Oakland through the Oakland Promise. Additionally, over the next three years, 36,000 Oaklanders will access City-funded job training services, 50% of whom will earn an industry-recognized credential within one year and at least 70% will enter into stable, middle-income jobs. We will also monitor wage growth and working conditions for the City's lowest paid workers to track the impact of our interventions on income inequality and adjust plans as required.

Workforce development

Led by private sector businesses, the Oakland Workforce Development Board (OWDB) funds investments that help employers find qualified workers and assist some of Oakland's most disadvantaged residents with finding new or better employment opportunities.

Our workforce development programs will follow the four priorities outlined by the OWDB in 2017: (1) services to help businesses

source talent; (2) services for adult job seekers and workers who need more assistance to find a local job; (3) services for low-income youth; and (4) enhancing the network of local workforce development programs and strengthening their approach to serving local businesses.⁸

By 2021, the City will secure 6,000 work-based learning opportunities for young people, both in summer employment

and with an eye to career exploration and year-round opportunities. We will help 1,200 residents to be employed in local businesses and will encourage Oakland businesses to hire more residents, with the aim of serving 200 businesses each year and achieving 60% repeat participation from supported businesses. We will also seek to expand the use of workforce training programs to improve City services such as blight reduction and infrastructure maintenance while providing Oaklanders with skill sets for long-term employment.

Across all its initiatives, the City will pursue strategies to leverage non-City funding for the organizations which are developing and

training Oakland's workforce and young people, attracting an additional \$3 million for workforce training by 2021. We will also coordinate service provision to take account of regional initiatives, including the:

- East Bay Advanced Manufacturing Partnership (which will support 60 hires each year)
- East Bay Transportation and Logistics Partnership (which will support 100 hires each year)
- East Bay Information Communication Technology Partnership (which will support 50 hires each year)

Economic security

Historically, people of color in Oakland have had limited access to opportunities and may need greater assistance to enter our highly-competitive job market and become economically secure. The City will continue to invest in the Oakland Promise effort, a cradle-to-career initiative that aims to triple the number of college graduates from Oakland within the next decade. We will also continue to support local efforts to increase employment of under-represented demographics in the tech sector, by both supporting our local tech education providers and encouraging local companies to prioritize diversity and inclusion. Under this strategy, we will make our workforce development and support services more

accessible, inclusive and aligned with the key themes of the Resilient Oakland Playbook, namely: building a more trustworthy and responsive government, being rooted in our town, and building a more vibrant and connected city.

For example, we will encourage low-income residents to participate in banking and financial empowerment programs, increasing the number of residents who apply for the Earned Income Tax Credit by 20%. We will also collect and publish data on affordability and benefits gaps, including the evolving gig economy, to understand whether and how we might need to intervene in the future.

Improving Oakland's Economic Climate

To foster a friendly and inclusive climate for business creation, expansion, and growth, the City is committed to making our services more responsive to evolving business needs. With a growing and dynamic economy, we must ensure our internal operations can keep pace with demand and meet the expectations of a private sector that has ever-increasing choices of where to invest.

The City will improve coordination and collaboration between departments to make its processes – such as business, event, and development permitting – more predictable and efficient. We will also enhance departmental collaboration to facilitate faster response times and prioritize investments in infrastructure, public space, and safety.

Streamlined City services

By streamlining City services, we will reduce both the cost of operating a business in Oakland and the opportunity costs that arise from unnecessary delays for new businesses and development.

Departments are already expanding their use of digital tools to increase access to City Services and make essential permitting and licensing quicker and more predictable. By 2019, we will have reviewed and streamlined the policies and processes for all business-government interfaces, including tax, zoning, and code enforcement. As a result, we will achieve the following three goals:

- The City will issue 65% of Planning and Building permits within the same day (Currently, 60% of City Planning and Building permits are issued within the same day)
- The City will make all information about permitting, licensing, and business services available digitally, through a multi-lingual, mobile-friendly business portal
- The City will conduct an annual survey and achieve a 90% satisfaction rate from businesses for its services and support

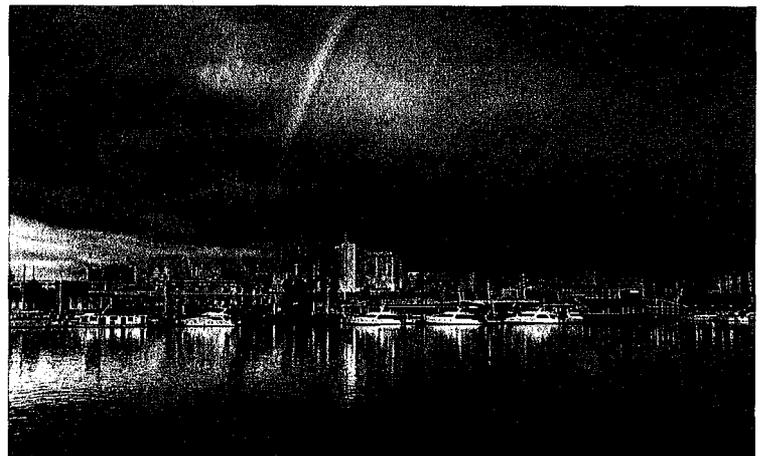
Shared departmental responsibility

The creation of a positive environment for economic development goes well beyond business portals and streamlined licenses. Businesses often cite concerns about citywide issues, such as public safety, access to housing and transportation, homelessness, illegal dumping, and under-investment in public spaces and infrastructure, all of which impede business growth. Therefore, this strategy is built around a coordinated response that not only includes the Economic & Workforce Development Department, but also Planning & Building, Housing & Community Development, Public Works, Transportation, Police, Fire, and Race and Equity, as well as the offices of the Mayor and City Administrator.

For example, with Oakland rents rising faster in the last year than almost anywhere else in the nation, ensuring sufficient housing for our workforce is a key priority in general and in terms of economic development. To this end, over the next three years, the City will support construction of more than 4,250 new homes, including 1,200 below-market-rate homes and permanent supportive homes for the homeless, and will protect 5,000 households from displacement. This effort is in accordance with the City's Housing Equity Roadmap and Housing Cabinet recommendations to develop a longer-term strategy to protect 17,000 families from displacement and build 17,000 additional new housing units—including 5,600 below-market-rate.

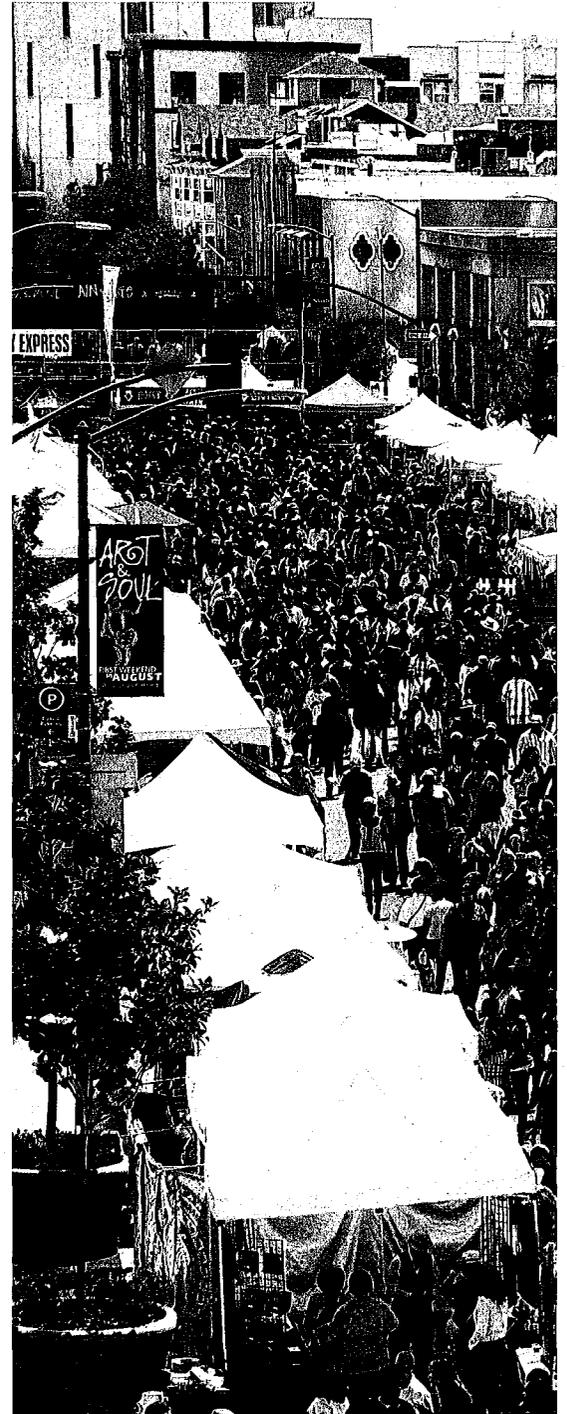
In addition to housing, Oakland residents and employers need access to clean, affordable, safe transportation to be able to connect homes and jobs. The Transportation Strategic Plan and Capital Improvement Program will see the City spending \$120 million on infrastructure and capital improvements by 2019, including pedestrian, bicycle, vehicle, and transit accessibility programs and regional efforts to combat congestion and improve mobility. During this timeframe, the International Boulevard Bus Rapid Transit line will open and reduce travel times between East Oakland and Downtown by providing reliable service connections every seven minutes.

The City's Capital Improvement Program is allocating funding to make our streets and neighborhoods safer and more attractive and will include building and improvements to parks, fire stations, libraries, and sewer infrastructure. Additionally, the City will implement a new Oakland 311 Call Center and respond to 85% of calls for service to clean up illegal dumping within three business days.



Public-private collaboration

With limited City resources, we cannot improve our commercial corridors without engaging the private sector, which is why we will support the formation of new Business Improvement Districts (BIDs) with technical and other assistance. We will also pilot new funding models in 2018 (e.g., parking benefit districts) which would give new and existing BIDs the resources to make improvements to public safety and the public realm, through security cameras, lighting, and environmental design. Our most successful commercial corridors already have BIDs to help supplement City services, beautify neighborhoods, and attract business investment – a proven model we should expand.







Building for Tomorrow

Between 2017 and 2021, our population is forecast to increase by another 20,000 people (5%) and we will approach 500,000 residents by 2031.⁹ Part of adequately serving our current residents includes planning for our new residents – where they will live and work, and what transportation they will use. With this in mind, our economic development strategy cannot just look at what can be done in the near-term, but must also set the stage and align resources and programming to meet our future needs.

More broadly, we must use equitable economic development – including land and property development which account for more than 50% of City revenues – to generate much needed resources and revenues. As with every city, our primary sources of revenue – property tax, sales tax, hotel tax, business license tax, and utility tax – are all directly tied to economic activity and can grow through investments in land and buildings. As Oakland grows, these investments will directly support our ability to deliver safe, affordable housing, transportation and other public infrastructure, and general enhancements to quality of life.

Following the dissolution of the City's redevelopment arm, our ability to invest in catalytic projects in weaker market neighborhoods has been reduced. To offset this loss, over the next three years, we will investigate new funding sources and policy tools to continue to spur land and property development. Without any new state or federal programs for local development, the City may need to consider allocating some of its proceeds from leases and land sales and revenues from new public-private projects to reinvest in future redevelopment-type activities such as land acquisition, buildings, tenant and façade improvements, and public infrastructure.

Priority Developments

Oakland currently owns over two dozen properties which – through partnerships with the development community – we will develop over the next six years, with timing dependent on the economic cycle and staffing levels. The City has approvals and has executed agreements with developers for 10 of these properties and we are aiming to complete their development in the next three years. We are in active negotiations with developers on another seven properties and our goal is to complete negotiations so that these projects can get underway within the next three years. The remaining sites require further analysis and community input before soliciting proposals from the development community.

Together, this first wave of priority developments is expected to create 2,300 homes, 4,000 construction jobs and 3,700 permanent jobs in the next three years. They will also contribute an estimated \$30 million in one-time benefits for the City and an additional \$16 million in annual fiscal revenues. Over the next 30 years, development of existing City properties will produce over 7,900 homes, 14,500 jobs, and over \$1.5 billion in City revenues. By 2020, revenues from these projects will exceed the investments required for their development.¹⁰

Development on Oakland’s public lands is both a significant source of revenue and a powerful tool to create equitable investment and development in marginalized communities of color. How to achieve and balance these goals will further be informed by policy changes and priorities established through a public lands working group and community input process. As a result, long-term revenue could be reduced while other community benefits are enhanced in each development project.

Under this strategy, we will also update and publish a portfolio asset management plan for all City-owned properties, which will include recommendations for better utilizing properties to meet community needs. Finally, the City will also create a program to encourage the tenanting and re-use of vacant properties to stimulate the private market and will conduct a thorough review of the real estate development permitting process to reduce costs and delays.



¹⁰These projections are subject to change based on the outcomes and priorities of the current Public Lands working group.

Opportunity areas for development

Between 2011 and 2015, the City of Oakland adopted five Specific Plans, a Transit-Oriented Development Plan and a Climate Action Plan that presented a vision and program for sustainable, transit-oriented development. These plans, when implemented, will accommodate more than three-quarters of the City's future projected job growth – including more than 50,000 new jobs in the West Oakland, Broadway-Valdez, Lake Merritt, and Coliseum Specific Plan areas. We are also currently creating a Downtown Specific Plan as well as an Equitable Development Strategy which will guide the implementation of all Specific Plans.

The Downtown area has several, large City-owned sites and has attracted substantial development interest in the last few years.

Already, both Broadway-Valdez and Lake Merritt areas are attracting significant investment in real estate development and the current development pipeline for the Broadway-Valdez Plan Area aims to double the residential density projected in that Specific Plan – in fact, there are now 1,300 new, mixed-use homes and significant new ground floor retail space under construction, with 3,600 additional units in the pipeline.

The International Boulevard Transit-Oriented Development Plan will be boosted by the completion of the East Bay's first Bus Rapid Transit line. The City, AC Transit and community partners are working along this seven-mile corridor to ensure local businesses and residents benefit from this investment. As these areas continue to develop, we will monitor and evaluate their successes, lessons learned, and adapt accordingly.



Major development projects

There are two public private development projects in Oakland which will create enormous opportunities for the city: the 1,800-acre former Oakland Army Base Project and the 790-acre Coliseum Area.

Regarding the first opportunity, the City has formed a \$1.2-billion-dollar public-private partnership with the State of California, Alameda County Transportation Commission, and the Port of Oakland, to transform a 300-acre portion of the former Army Base into a modern logistics center. The first new facilities of the Oakland Global Trade and Logistics Center will open this year, adding new Class A industrial space, including a refrigerated warehouse and distribution facility, and increasing the Port's capacity. With a completion target of June 2020, this project will help improve air quality, neighborhood and roadway safety; create 5,881 direct, temporary, and permanent jobs; and generate \$187 million in economic activity annually, along with \$3.7 million annually in new tax revenue.

With respect to the second opportunity, the Coliseum Area is currently home to Oakland's three sports teams, but will

undergo significant changes in the next five years as two teams relocate outside Oakland and the third considers other sites within the city. These changes will create one of the largest, inner-urban, transit-served, redevelopment sites in California and has the potential to become a transformative, long-term development district for Oakland – which is approved for up to 6,500 permanent jobs, 4,000 homes, 1.5 million square feet of office space, 415,000 square feet of retail space, and 875 hotel rooms, potentially yielding \$20 million in annual revenue.

Under this strategy, the City will select and negotiate with developer(s) to redevelop the Coliseum and surrounding sites, add new infrastructure; and create a combination of new homes; commercial, industrial, retail, and hotel space; and associated amenities. There are many variables that will affect the timing of disposition and development of such a large site, but it is expected to be underway within 10 years and fully completed within 25 years.

Industry Sector Growth

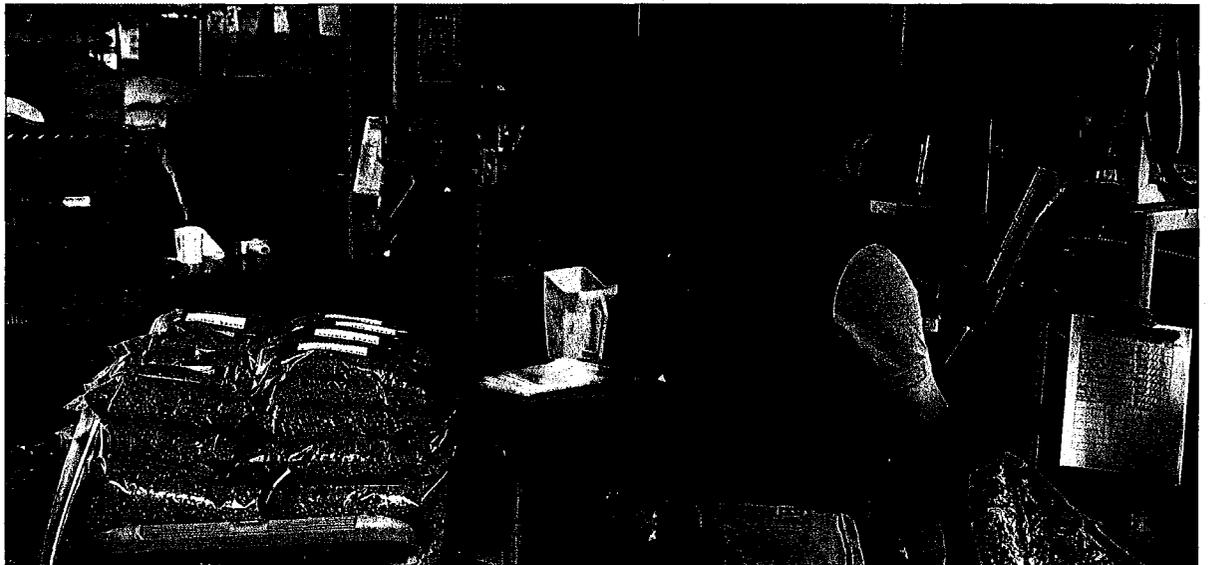
Oakland has several industry clusters that drive its economic growth, including: healthcare, manufacturing, food and beverage production, transportation and logistics, high tech, green and clean tech, retail, and tourism and hospitality. Collectively, our key sectors support a diverse, resilient economy that offer a wide spectrum of employment.

Under this strategy, the City will:

- Develop or refresh the City's sector growth strategies and supportive policies
- Engage in zoning updates and related regulatory processes
- Pursue sectoral infrastructure needs
- Provide individual business assistance
- Attract business relocations

As a result of these efforts, our goal is for 8,500 additional residents to be employed by our key clusters by 2020.

While the City will support the growth and resilience of all of Oakland's key sectors, we will focus particularly on retail and manufacturing – including advanced manufacturing, logistics, and food and beverage production. These key sectors are changing rapidly and provide accessible, entry-level and mid-level jobs with a demonstrated demand for local workers, and are also more responsive to local public sector interventions. Furthermore, Oakland has considerable strengths that make the City attractive to both manufacturing and “maker” economies, improving our chance to grow market share and maximize our resource investment.



Manufacturing, logistics, food and beverage production

The marriage of advanced manufacturing techniques with information technology, data, and analytics, combined with rising costs in overseas manufacturing hubs and a desire to bring production closer to companies' research facilities, are all stimulating a resurgence in manufacturing across the United States. Given Oakland's central location, transportation access, and port, we have an opportunity to capture a large share of this activity and, with it, many good-paying jobs for diverse groups of workers.

California has the highest number of manufacturing jobs in the United States and manufacturing is a mainstay of Oakland's economy. Oakland's manufacturers are concentrated on a large swath of industrial land in East Oakland between International Boulevard and Interstate 880. There is also a large cluster of companies in Oakland's oldest neighborhood of West Oakland. Oakland airport and seaport are the Bay Area's primary center for goods movement. The Port of Oakland's land provides 1,300 acres for maritime use and 2,600 acres for aviation.

Oakland's manufacturers are highly diverse, ranging from the 110-year-old industry leader, AB&I Foundry, to the leading edge newcomer, Impossible Foods. The City has particular strengths in electronics and metal fabrication, food and beverage, and apparel and sewn products. It is a center for food production and distribution attributable to its central location, plentiful facilities, and proximity to the airport, port, and primary intermodal transit facilities. Its innovative "makers" are also marrying advanced technologies and artisanal methods.

Oakland has a highly skilled manufacturing workforce and a multi-layered training and incubation system, including excellent community colleges with programs in manufacturing skills and technology. The city currently boasts nearly 6,500 jobs in manufacturing that make up 4% of the city's workforce and 10% of gross regional product. Under this strategy, the City wants to see an additional 400 manufacturing jobs created, with manufacturing contributing 12% to the city's economy by 2020.

To achieve this goal, the City will need to strike a balance between the development of cannabis-related industries and other manufacturing sectors. We will protect zoning for industrial land and leverage private investment to encourage the rehabilitation of older, industrial building stock and will invest in infrastructure and promote Oakland as a center for new manufacturers and manufacturing R&D.

We will help makers and small manufacturers address rising rents, innovate, grow, and access new supply chains and markets. The City will also continue to invest in, and promote, training pathways for local residents to secure apprenticeships and jobs in manufacturing and will promote manufacturing as a viable career.

We will promote our central location, our proximity to the airport and port, and our primary intermodal transit facilities to potential manufacturing investors and will also highlight our highly-skilled workforce and excellent community colleges with programs to train and incubate talent. Further, we will invest in additional manufacturing training pathways.

Culture and the arts

Oakland's culture and arts scene is renowned across the country, and is an essential part of the fabric of our City that fosters a sense of pride and belonging among our residents. From a purely economic perspective, culture and arts supported over 7,000 jobs in 2014 while playing an important role in supporting our digital design and wider creative industries. From an external perspective, culture and arts – galleries, festivals, visual and industrial arts, the rich music scene, vast number of writers and dancers, as well as theaters and other performing arts groups – are strong draws for visitors, entrepreneurs, and business managers seeking vibrant locations to move or expand.

Given these social and economic benefits, we will actively support this sector's growth and will publish a Cultural Development Plan in 2018. Under the theme of "Belonging in Oakland," the equity-driven plan will identify cultural assets and address issues such as access to and preservation of affordable

arts space, talent development, wages, public art and private development, cultural districts, interdepartmental coordination, and providing more authority and resources to a new Cultural Arts Commission. Through this plan, the Downtown Specific Plan and other initiatives, our goal is to grow both the arts sector's employment and event attendance by 5% over the next three years and produce measurable outcomes on cultural equity.

By working with foundations and other funding partners, we will help 100 cultural organizations maintain or purchase secure, affordable, arts production and performance spaces. We will provide technical assistance on, for example, real estate and business skills, to make arts and culture organizations more resilient. The City also proposes to contribute 50,000 square feet of affordable rehearsal, studio, and performance space when the Calvin Simmons Theater at the Henry J. Kaiser Convention Center re-opens in 2020.

Attracting businesses into key industries

The City wants to attract more businesses and foreign direct investment to Oakland because of the benefits they bring in terms of productivity, jobs, property improvements, and City revenue. Over the next decade, more than 7,000 international companies will look at locations for an overseas headquarters. As awareness of Oakland grows both nationally and internationally, we have an opportunity to capture a share of these projects.

With this as our goal, the City will develop compelling propositions to attract target businesses to Oakland's manufacturing, logistics, food and beverage production, arts, tourism, and retail clusters. Through marketing and industry outreach, we will communicate

our aspirations to build a just, sustainable economy in a way that enhances our attractiveness to key target businesses and investors. We will also promote our development opportunity sites to meet investors' needs. Additionally, we will redesign the City's economic development website and work with the East Bay Economic Development Alliance and the Governor's Office of Business and Economic Development to better position and promote Oakland.

Through these initiatives, together with our partners, we will attract projects in key industry sectors which will create more than 5,000 jobs over the next three years.



Implementation

High-level objectives

Increase economic productivity	Per capita GDP increases by 10%	✓	EWD
Increase economic security	The number of Oaklanders making less than a living wage reduced by 50%	✓	Mayor's Office, EWD
Reduce income disparity	The asset poverty rate of African Americans and Latino/as reduced by 50%	✓	Mayor's Office

Combined strategy goals

Support Oakland businesses	1,000 supported businesses innovate, grow, and access new markets	✓	✓	✓	EWD-BD
Create jobs	2,800 jobs are created in the local economy	✓	✓	✓	EWD
Train the workforce	12,000 Oaklanders are given access to job training services	✓	✓	✓	EWD-WD
Improve City services	Business satisfaction with City assistance and services is 90%	✓	✓		EWD-BD
Build homes and preserve affordability	4,250 new homes are built (1,200 below market or permanently supportive) and 5,000 households are protected from displacement			✓	Multiple (HCD)
Generate City revenue	Public-private developments earn \$30m in one-time and \$16m in annual City revenue			✓	EWD-PPD
Invest in transportation	\$120m is spent on transportation and other public infrastructure and city facilities			✓	DOT, PWD
Reduce Racial Disparities	A Racial Equity Analysis is completed analyzing impacts and maximizing positive equity outcomes	✓			EWD

CAO = City Administrator's Office

DOT = Department of Transportation

EWD = Economic & Workforce Development Department

EWD-Army Base = Army Base Development team in EWD

EWD-BD = Business Development team in EWD

EWD-Cultural = Cultural Affairs team in EWD

EWD-PPD = Public Private Development team in EWD

EWD-Real Estate = Real Estate asset management team in EWD

EWD-WD = Workforce Development team in EWD

HCD = Housing & Community Development Department

PBD = Planning & Building Department

PWD = Public Works Department

Working for Today

Supporting Oakland businesses

Create a small business advisory group	The group is up and running	✓			EWD-BD
Support business creation	100 businesses are created, which the City has supported	✓	✓	✓	EWD-BD
Support small businesses	500 small businesses are supported to innovate, grow, and access new markets	✓	✓	✓	EWD-BD
Help small businesses to access finance	200 entrepreneurs have crowdsourced loans	✓	✓	✓	EWD-BD
Raise awareness of business support services in low-income neighborhoods	500 supported, small businesses in low-income neighborhoods understand what business support services are available	✓	✓	✓	EWD-BD
Reposition the Business Assistance Center	The Center is re-positioned as a first-call contact	✓			EWD-BD
Encourage business organizing, growth, and attraction in underserved city neighborhoods	A pilot program is evaluated and a decision taken to expand or end the program	✓			EWD-BD

Supporting small businesses owned by people of color and women

The City will monitor the following indicators, taking remedial action as required: that, by 2021, revenues generated by businesses owned by people of color in Oakland have grown by 40%; and that revenues generated by women-owned businesses in Oakland are exceeding the growth rate of all businesses nationally.

Support female tech entrepreneurs and entrepreneurs of color	600 entrepreneurs are supported to innovate, grow their businesses, and access new markets	✓			EWD-BD
Expand support programs which help female entrepreneurs and entrepreneurs of color to other sectors	The Oakland Startup Network program has been replicated		✓	✓	EWD-BD
Strengthen business networks for people of color	Three workshops to support supplier certification and partnerships are held	✓	✓	✓	EWD-BD

Developing Oakland's workforce and increasing economic security

Workforce Development

Help local businesses to hire local trainees	200 Oakland businesses are supported to hire local residents with 60% of businesses repeating participation. 1,200 additional residents are employed in local businesses	✓			EWD-WD
--	---	---	--	--	--------

Developing Oakland's workforce and increasing economic security

Workforce Development

Provide job training for Oaklanders	36,000 Oaklanders access city-funded job training services (12,000 annually)	✓	✓	✓	EWD-WD
Provide Oaklanders with industry-recognized credentials	50% of adult participants in city-funded training programs receive an industry-recognized credential within one year	✓	✓	✓	EWD-WD
Provide pathways from training into work for Oaklanders	70% of adult participants in city-funded training programs get a stable, middle income job	✓	✓	✓	EWD-WD
Provide work-based learning opportunities to young Oaklanders	2,000 young people undergo work-based learning annually	✓	✓	✓	EWD-WD
Expand the use of Workforce training programs for blight reduction	New training positions are added in blight reduction and public infrastructure maintenance	✓			PWD

Economic Security

Encourage low-income residents to participate in banking and financial empowerment	The number of low-income residents who apply for the Earned Income Tax Credit increases by 20%			✓	Mayor's Office
Ensure that every Oakland youth graduates high school with the expectations, resources, and skills to be successful in the career of his or her choice	The number of Oakland high school graduates who go on to graduate from college triples	✓	✓	✓	Mayor's Office

Improving Oakland's economic climate

Streamlined city services

Review and streamline policies and processes for all business-government interfaces	All processes are streamlined	✓			CAO
Issue planning and building permits more quickly	65% of all planning and building permits are issued within one day	✓	✓	✓	PBD
Provide business information digitally	A multi-lingual portal, which contains all permitting, licensing and business services information, is published	✓			EWD- BD
Improve business satisfaction rates with City support and services	Business satisfaction with City assistance and services is 90%		✓	✓	EWD- BD

Shared departmental responsibility

Build more homes	4,250 new homes, including 1200 below market rate homes and supportive housing for the homeless, are built			✓	PBD, HCD
Preserve below market rate homes	5,000 properties are acquired and rehabilitated			✓	HCD
Build infrastructure and make capital improvements	\$120m is spent on transportation infrastructure	✓			DOT, PWD
Reduce illegal dumping	A new Call Center is created and 85% of calls for service to clean up illegal dumping are answered within three business days	✓	✓	✓	PWD

Public-Private Collaboration

Encourage the creation of additional business improvement districts	New BIDs are created			✓	EWD-BD
Pilot new funding models for public safety and public realm improvements	The pilots are evaluated and funding is raised for improvements in 20 locations	✓	✓	✓	EWD, DOT

Building for Tomorrow

Goals and action steps	Metrics and targets	2018	2019	2020	City Lead
------------------------	---------------------	------	------	------	-----------

Building for tomorrow

Investigate new funding sources and policy tools to spur land and property development	Significant new funding sources are secured			✓	EWD-PPD
--	--	--	--	---	---------

Priority developments

Develop priority sites	17 City-owned properties are developed and 12 are ready for development			✓	EWD-PPD
------------------------	--	--	--	---	---------

Create a program to encourage the teanting and re-use of vacant properties	The program is created		✓		PBD
--	-------------------------------	--	---	--	-----

Review the real estate development permitting process	The review is published, with recommendations to reduce costs and delays	✓			PBD
---	---	---	--	--	-----

Publish a portfolio asset management plan	A plan is published, which includes strategies for better utilizing properties to meet community needs	✓			EWD- Real Estate
---	---	---	--	--	------------------

Major development projects

Develop the Oakland Army Base	The development remains on track to create 5881 jobs and \$3.7m new tax revenue annually	✓	✓	✓	EWD - Army Base
-------------------------------	---	---	---	---	-----------------

Develop the Coliseum Area	A developer is selected			✓	EWD-BD
---------------------------	--------------------------------	--	--	---	--------

Industry sector growth

The City will monitor the following indicators, taking remedial action as required: that, by 2021, employment in Oakland's priority industry sectors has increased by 8,500.

Goals and action steps	Metrics and targets	2018	2019	2020	City Lead
------------------------	---------------------	------	------	------	-----------

Support priority industry sectors	Sector strategies for each of Oakland's priority sectors are published or refreshed	✓			EWD-BD
-----------------------------------	--	---	--	--	--------

Manufacturing, logistics, food, and beverage production

The City will monitor the following indicators, taking remedial action as required: that, by 2021, Oakland's manufacturing sector is contributing 12% to the City's economy.

Goals and action steps	Metrics and targets	2018	2019	2020	City Lead
------------------------	---------------------	------	------	------	-----------

Support/attract manufacturing, logistics, and food and beverage production jobs	400 additional manufacturing jobs are created			✓	EWD-BD
---	--	--	--	---	--------

Retail

The City will monitor the following indicators, taking remedial action as required: that, by 2021, employment in Oakland's retail sector has increased by 1,000; that more residents are able to access to healthy food; and that there are fewer vacant properties.

Goals and action steps	Metrics and targets	2018	2019	2020	City Lead
New neighborhood retail	Five new permanent retailers, and five pop-up or temporary retailers are created in underserved neighborhoods		✓		EWD-BD
Revisit Oakland's retail strategy and action plan	An updated strategy and action plan are published	✓			EWD-BD
Attract new retailers	New retailers are attracted to Upper Broadway, Broadway-Valdez and Uptown	✓	✓	✓	EWD-BD

Tourism

The City will monitor the following indicators, taking remedial action as required: that Oakland remains on target to attract 7.5 million visitors by 2025.

Goals and action steps	Metrics and targets	2018	2019	2020	City Lead
Expand tourism infrastructure	Identify sites for hotels and meeting space, attract hotel developers and explore co-investment opportunities			✓	EWD-PPD

Culture and the arts

The City will monitor the following indicators, taking remedial action as required: that, by 2021, employment in Oakland's arts and cultural sector, as well as attendance at arts and cultural events in the City, have increased by 5%.

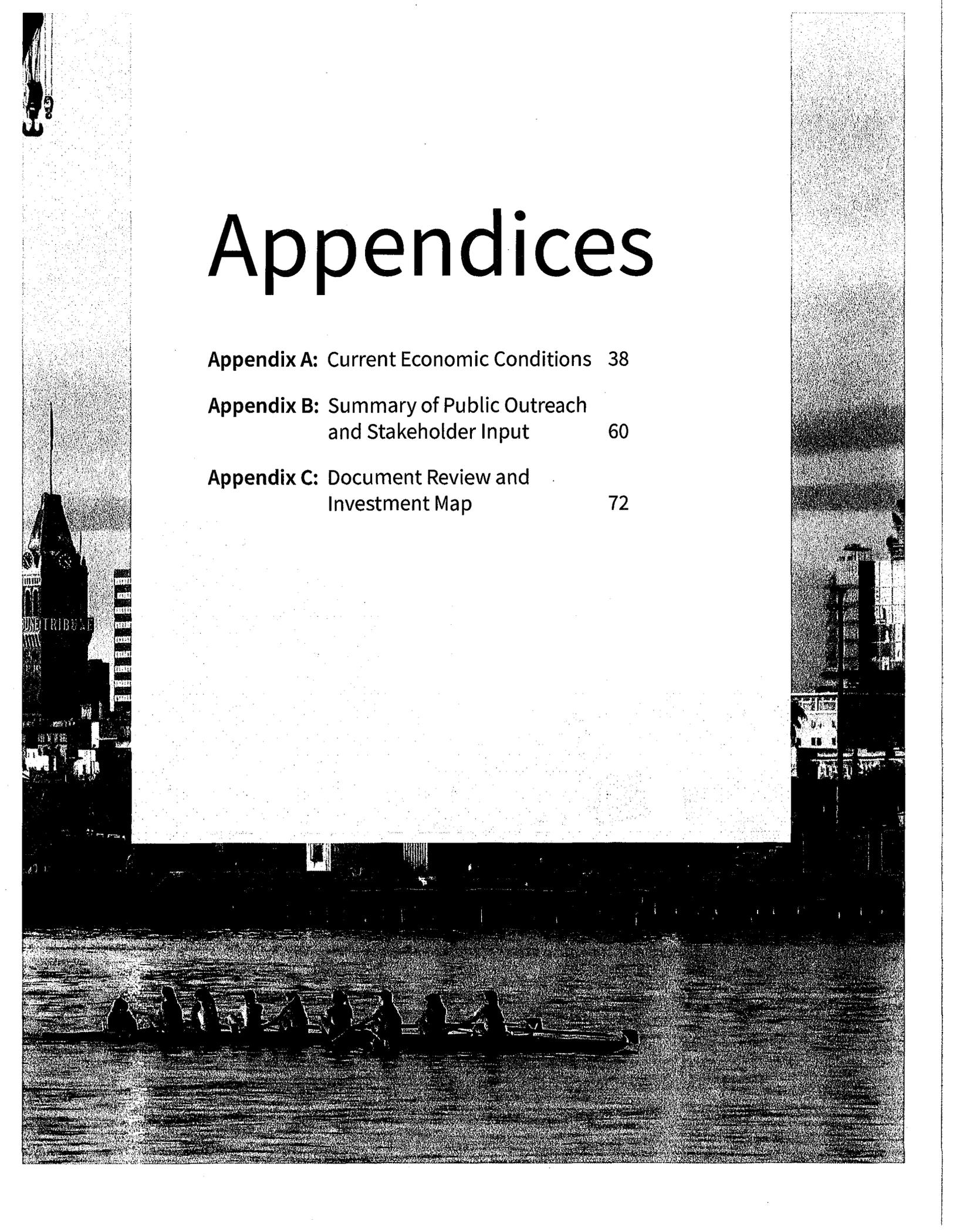
Goals and action steps	Metrics and targets	2018	2019	2020	City Lead
Develop a Cultural Arts plan	A Cultural Arts Plan is published	✓			EWD-Cultural
Support arts and culture organizations to stay and grow in Oakland	100 cultural organizations access affordable space through grants, technical assistance and creation of new, affordable space	✓	✓	✓	EWD-Cultural, Mayor's Office
Re-open Calvin Simmons Theater	The theater is re-opened and affordable to local arts organizations			✓	EWD-PPD

Attracting businesses to key industries

The City will monitor the following indicators, taking remedial action as required: that, by 2021, Oakland has attracted businesses which have created 5,000 new jobs in the City

Goals and action steps	Metrics and targets	2018	2019	2020	City Lead
Develop propositions for business and investment attraction	Compelling propositions are published and communicated to target businesses and investors	✓			EWD-BD
Redesign economic development website	New website is published	✓			EWD-BD





Appendices

Appendix A: Current Economic Conditions 38

**Appendix B: Summary of Public Outreach
and Stakeholder Input** 60

**Appendix C: Document Review and
Investment Map** 72



Appendix A: Current Economic Conditions

The Economic Development Strategy reflects and responds to current economic conditions in Oakland, including industry and real estate trends and the ways that Oakland residents are participating in, or being impacted by, the city's economic growth.

This Appendix provides an overview of key economic data, including:

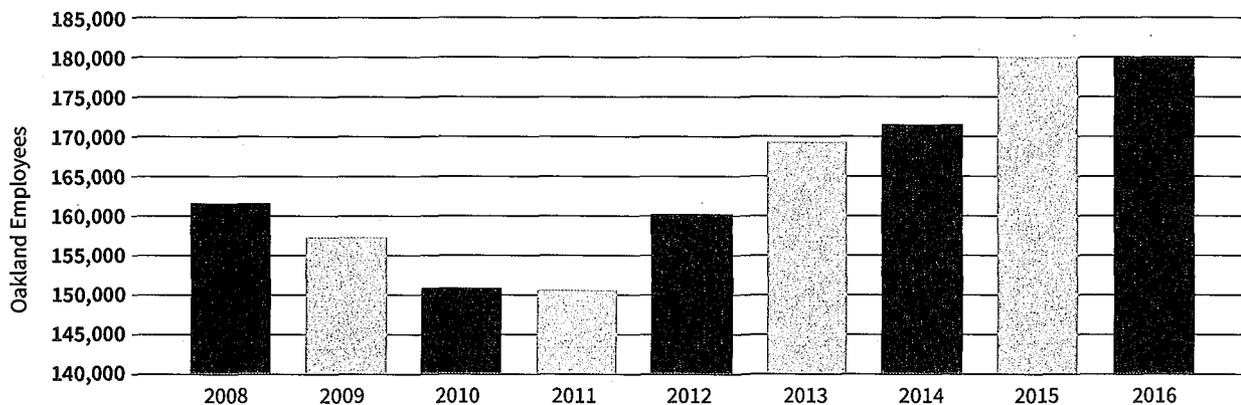
- Employment and industry growth
- Emerging industry trends
- Anchor institutions, large firms, and the Port of Oakland
- Real estate trends
- Participation in Oakland's economy and disparities by income, neighborhood, and race
- Disaster preparedness and resilience

Employment and Industry Growth

Oakland's economy has recovered strongly from the recession of the late 2000s. Between 2010 and mid-2017, the City added more than 25,000 new jobs, bringing the total within the City to over 180,000. Oakland employment, or the number of employed Oaklanders, is also approximately 24 percent higher than the pre-recession peak in 2008 (Figure 1). The city accounts for approximately a quarter of the employees in Alameda County, a share that has remained stable since 2008.

Oakland's economy has both dynamism and stability, characterized by large, legacy institutions – many of which have been in operation in the city for decades – and small businesses that can be either local-serving or global in reach. As of 2016, 91 percent of firms in Oakland had fewer than 20 people, accounting for 69 percent of all jobs.

Figure 1. Oakland Employment, 2008-2016



Source: CA Employment Development Department, Oakland Metropolitan Chamber of Commerce and Beacon Economics, City of Oakland, 2016

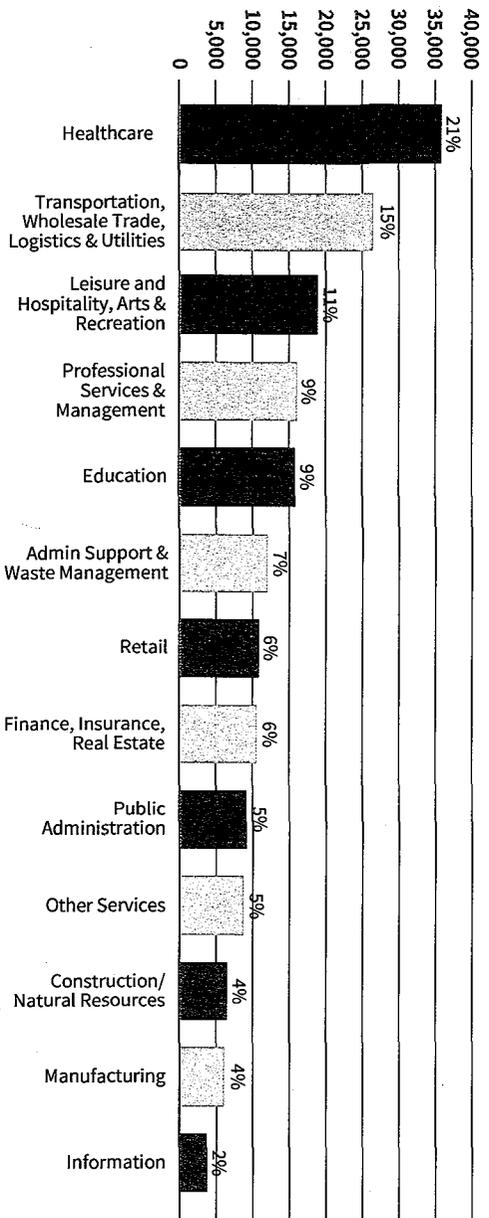


Figure 2. Oakland Employment, 2008-2016

Source: California Employment Development Department, Oakland Metropolitan Chamber of Commerce and Beacon Economics, City of Oakland, 2016

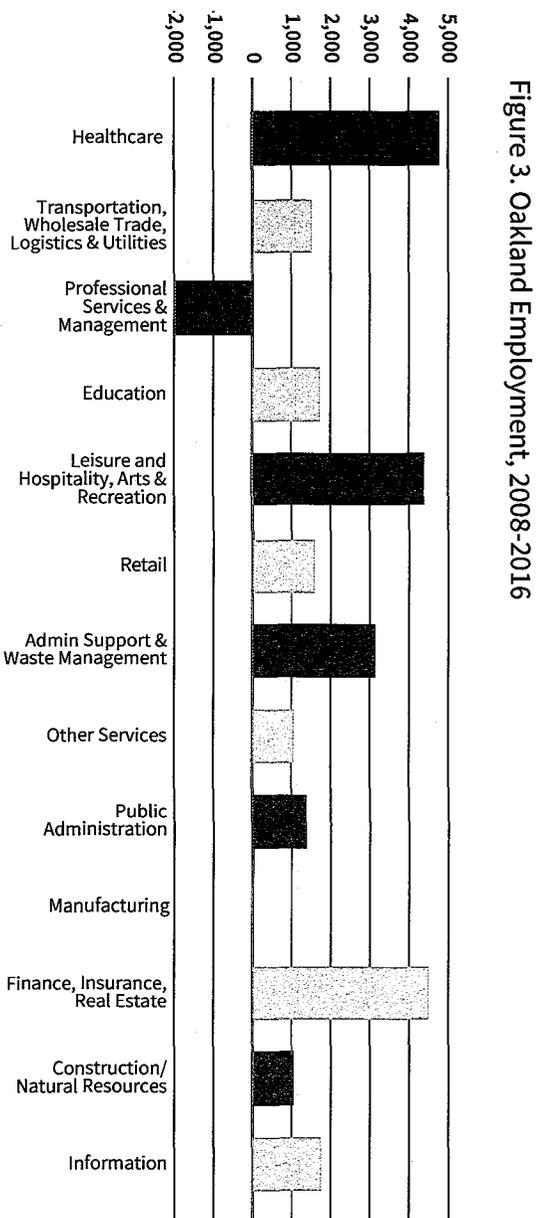


Figure 3. Oakland Employment, 2008-2016

Source: California Employment Development Department, Oakland Metropolitan Chamber of Commerce and Beacon Economics, City of Oakland, 2016

Oakland's Key Sectors

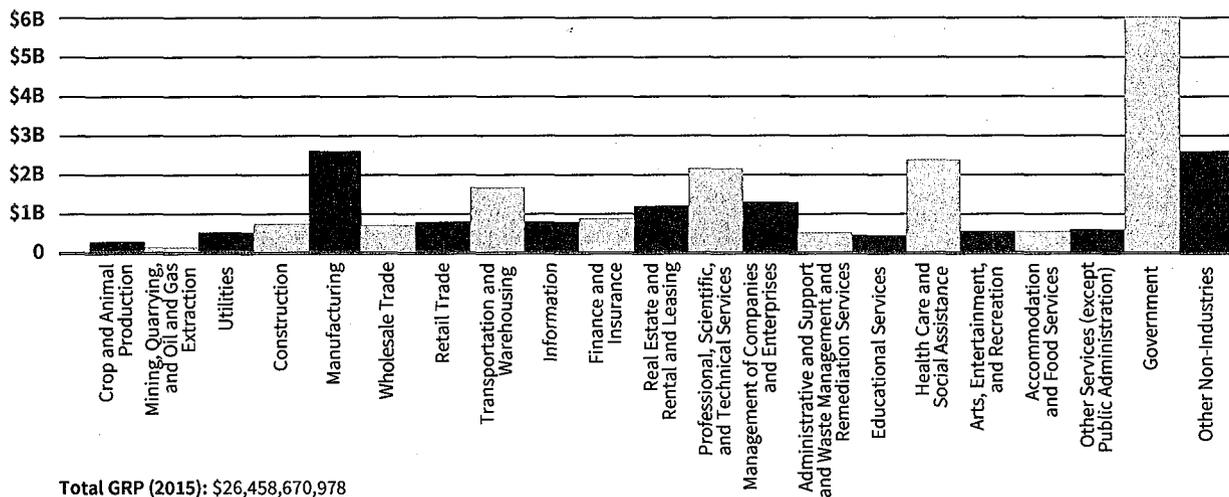
For nearly two decades, Oakland has maintained a steady focus on maintaining and supporting the growth of the same key sectors: health and wellness, transportation and logistics, manufacturing, food production, green and clean technology, arts and culture, and retail. In the last two years, the City has added support for the tech and tourism sectors due to rapid job growth in both fields. The City is also monitoring and developing regulations and policies to support the emergence of the legal cannabis industry.

National economic shifts are having an impact in Oakland, including the rise of on-demand work and an increase in service jobs and growth in sustainability industries like solar and green technology. Oakland's primary economy continues to be driven by many of the same employment sectors and

industry clusters that have dominated the city's employment base for a hundred years.

As shown in Figure 2, health care is the city's largest sector, followed by transportation and logistics, leisure and hospitality, professional services and management, and education. Health care and transportation and logistics, in particular, have been among Oakland's largest sectors for many years. In both sectors, Oakland accounts for approximately 40 percent of all jobs in Alameda County. Oakland also has a high share of countywide employment in education (approximately 60 percent), other services (30 percent), and finance, insurance, and real estate (27 percent). Leisure, hospitality, and retail employment has grown significantly in the past five years, as reflected in national attention on the food and arts scene.

Figure 1. Oakland's Gross Regional Product by NAICS Industry Sector



Total GRP (2015): \$26,458,670,978

Emerging Industry Trends that are Changing Oakland's Physical and Economic Environment

While Oakland's economy continues to be driven by many of the same longstanding sectors and clusters that have provided stability and resiliency over the long-term, these sectors are evolving in significant ways. Some of these changes are reflected in new job growth. Other changes have had less of an impact on total employment, but are still creating noticeable changes in specific locations within the city.

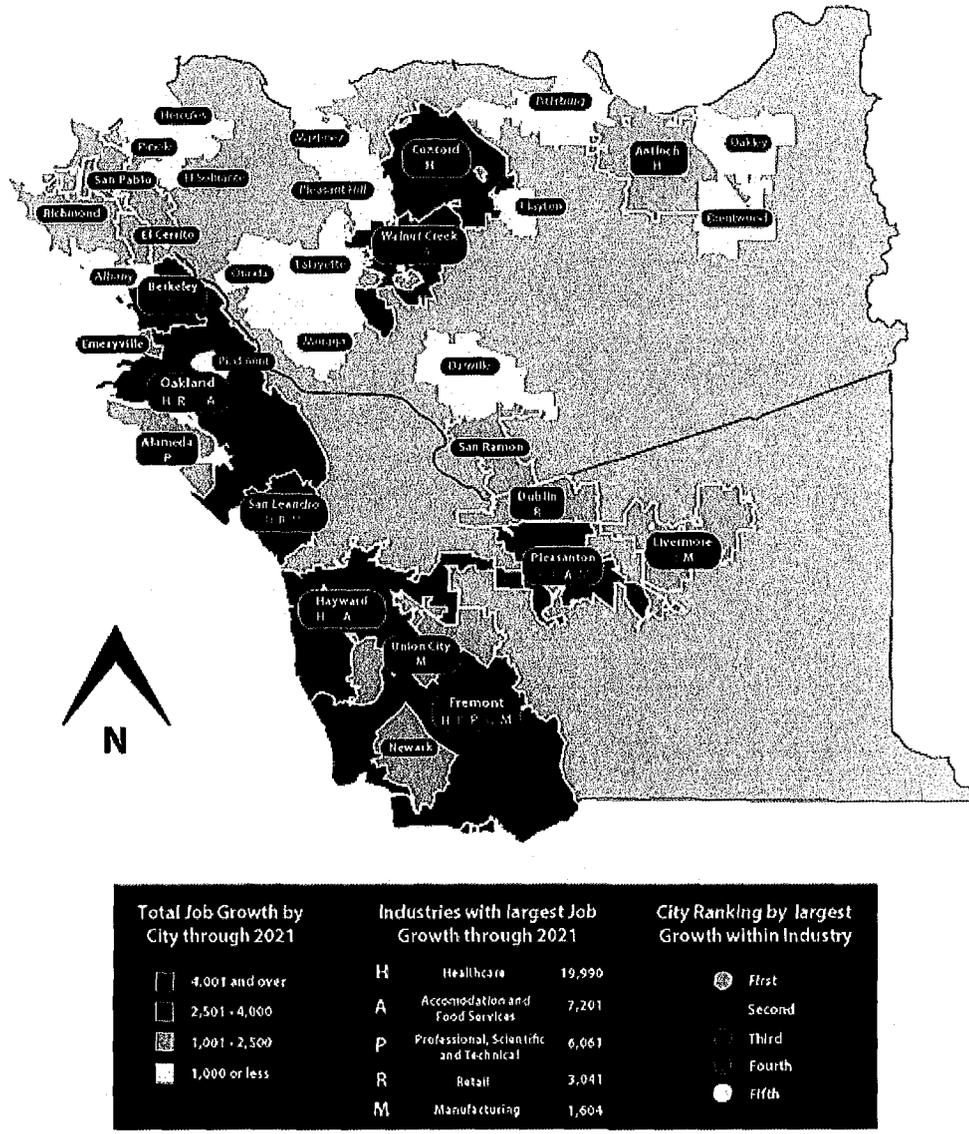
Some of these emerging trends include:

- Rapid growth in health care, education, leisure and hospitality, and information: Figure 3 shows employment change by sector between 2010 and 2016. As shown, the health care sector added the most jobs during this period. However, education, leisure and hospitality, and information grew at the fastest rate, adding 20 to 30 percent more employees. In particular, the strong growth in the information sector reflects the growth of technology firms in Oakland, while the growth in leisure and hospitality – a category that includes restaurants – speaks to Oakland's growing reputation as a tourist and food destination. Most of these technology, restaurant, and entertainment businesses are locating in Oakland's downtown.
- Evolving manufacturing, transportation, and logistics sectors: As shown in Figure 3, manufacturing and transportation and logistics experienced relatively slow growth

between 2010 and 2016, constrained by an aging industrial building stock in need of major improvements. However, while some large manufacturing companies (for example, in the food processing and furniture production industries) have closed, the manufacturing sector in Oakland is moving towards smaller scale, more specialized production, including 3-D printing and other advanced manufacturing. City efforts to stay on top of the manufacturing sector's evolving labor needs include programs like "Design It-Build It-Ship It," a consortium of East Bay community colleges and workforce boards that received a \$15 million grant to support job training for manufacturing workers.

- Growth of innovative business models, financing tools, and economic development efforts: While Oakland businesses receive a significant share of venture capital investment, many local businesses also use crowdfunding to grow. The City of Oakland, for example, encourages this model by serving as a trustee for the Kiva Oakland program, which enables individual lenders to invest directly in small businesses. Oakland also has a high proportion of social entrepreneurs and B-Corporations, a form of incorporation which provides a legal framework for businesses to pursue both profit and a social/environmental purpose.

Map 1: Projected East Bay Job Growth



Map 1 is a projection of job growth in five significant East Bay sectors. Oakland is expected to lead the East Bay in Healthcare and Accommodation and Food Service job growth, and to also add jobs in both the Retail and Professional/Scientific/Technical industry sectors.

Anchor Institutions, Large Firms and the Port of Oakland

Large firms have significant workforce, contracting, and real estate needs. Anchor institutions, which are defined both by size and the extent to which their operations are tied to their location in Oakland, can play a valuable role as partners in the City's efforts to further inclusive economic development. In addition to directly employing tens of thousands of workers, these institutions have significant procurement requirements that support additional economic activity. Moreover, many of these institutions have made significant real estate investments in Oakland, giving them a shared interest in Oakland's long-term success.

Stronger relationships between Oakland's anchors and the local economy have the potential to boost workforce pathways, expand local businesses, and increase business and city resiliency. Two distinct efforts are underway to expand the role that these institutions play in hiring and contracting with Oakland residents and businesses, including low-income workers and people of color – especially since many of the non-profit and public institutions primarily serve low-income clients.

1. Anchors for Resilient Communities (ARC). ARC is a cross-institutional coalition supported by the California Endowment, San Francisco Foundation, Kresge Foundation and Kaiser Permanente, which aims to leverage the assets and the capacities of East Bay institutional anchors to develop healthy and prosperous communities, with a focus on meeting the needs of under-served neighborhoods in Richmond and Oakland. This study is working with the Democracy Collaborative and Emerald Cities to identify business opportunities to provide products and services to local anchors.
2. The Alameda County Health and Social Services Agency has an anchors' study underway that includes Kaiser Permanente, the Port of Oakland, Alameda County, and Caltrans, with a focus on workforce development and boys and men of color.

Top 20 Employers in Oakland, 2016:

- Kaiser Permanente/
Kaiser Foundation (12,150)
- County of Alameda (4,500)
- City of Oakland (3,500)
- BART (3,300)
- State of California (3,170)
- UCSF Children's Hospital
Oakland (2,675)
- Alameda Health Systems
(Highland Hospital) (2,300)
- Southwest Airlines (2,250)
- Oakland Unified School District (2,150)
- Sutter Hospitals, Medical Foundation,
& Support Services (2,250)
- University of California (1,750)
- Securitas Security Services (1,565)
- East Bay Municipal Utility District (1,550)
- US Postal Service (1,425)
- Federal Express (1,350)
- United Parcel Service (1,320)
- Pandora (1,100)
- Allied Barton Security Services (975)
- Manos Home Care (975)
- East Bay Regional Park District (950)
- U.S. Department of the Treasury (750)
- Peralta Community Colleges (750)
- Alameda Superior Court (680)
- Ovations Fanfare (650)
- Clorox (640)

Source: City of Oakland, CA Employment Development Department

Port of Oakland Top Ten Containerized Commodities

Exports			Imports		
Commodity	Metric Tons	Share	Commodity	Metric Tons	Share
Wood Pulp	1 535 834	20%	Beverages & Spirits	629 678	9%
Edible Fruits and Nuts	1 076 155	14%	Furniture	512 401	7%
Meats	449 456	6%	Glass & Glassware	355 979	5%
Beverages & Spirits	439 476	6%	Electrical Machinery	288 160	4%
Cereals	414 188	5%	Plastics	252 946	4%
Oil Seeds and Olaginous Fruits	392 240	5%	Wood and Articles of Wood	246 684	4%
Preparations of Vegetables	305 569	4%	Articles of Iron & Steel	234 485	3%
Iron & Steel	288 652	3%	Machinery	229 514	3%
Plastic and Article of Plastic	238 652	3%	Rubber	218 729	3%
Aluminum and Article of Aluminum	123 873	2%	Paper and Paperboard	210 567	3%
Top 10 Total	5 601 369	73%	Top 10 Total	3 179 143	46%
All Others	2 112 837	27%	All Others	3 703 442	54%
Total	7 714 206	100%	Grand Total	6 882 585	100%

In 2009, the Port of Oakland committed to achieving an 85% reduction in seaport-related diesel health risk by 2020 from a 2005 baseline. Since then, the Port has had a \$38 million grant program to upgrade and replace the oldest trucks operating at the Port; a ban on trucks that are not compliant with statewide

emissions requirements; shipping companies switching to cleaner burning, low sulfur fuel; and a \$65 million project to construct a power grid that ships can plug into at berth rather than relying on auxiliary diesel engines. Overall diesel particulate matter emissions have decreased by 76%.¹

Real Estate Trends

Oakland has a diverse range of employment space opportunities, from older industrial and warehouse spaces in West Oakland and along the I-880 corridor, to a mix of class A, B, and C office buildings in the Downtown. Residents from Oakland and around the Bay Area may still live with the memory of high office and retail vacancies in Downtown and other areas, and may be unaware of activities within the city's industrial buildings. Today, however,

vacancy rates across the office, industrial, and retail sectors are very low, and prices for both commercial and residential space have increased significantly. Meanwhile, Oakland's high quality of life, the City's continued investments, and the growing regional economy are also attracting increased real estate development activity. These trends are reshaping the city's office, industrial, retail, and residential markets.

Office

Oakland has approximately 27 million square feet of office space, making it the largest office market in the East Bay. The overall vacancy rate fell to 4% at the end of 2016, lower than at any time since the dot-com boom of the early 2000s, lower than San Francisco and lower than the East Bay average. Correspondingly, rents have also spiked since mid-2014 (Figure 4). Inventory is particularly limited for businesses looking for spaces in the 25,000-square-foot range.

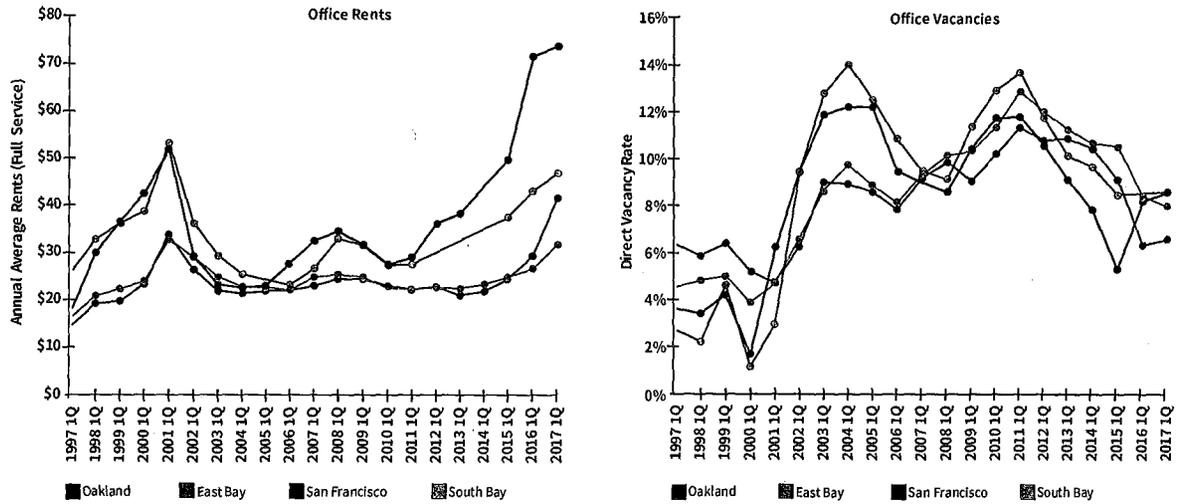
The city's office space is concentrated in Downtown. The greater Downtown area has approximately 19 million square feet of office space (69 percent of the city's office inventory), including approximately 8.5 million square feet of Class A space

(99% of the city's Class A inventory).² This office concentration reflects Downtown Oakland's status as the largest and most densely concentrated employment center in the East Bay region, and one of the largest employment centers in the Bay Area. The broader Downtown Oakland area – including Broadway-Valdez, Chinatown, and areas near the Lake Merritt BART station – is estimated to contain nearly 84,000 jobs and to form the largest employment center in the East Bay.³ The majority of jobs in Downtown are in office-based sectors including professional and scientific services, finance, and information. Approximately one-third of Downtown employment is in the public sector.

²Includes the Downtown Specific Plan Area and Chinatown. Source: Strategic Economics, "Demographic and Market Data and Findings for the PDA Profile," Downtown Oakland Specific Plan, September 2015.

³SPUR, "A Downtown for Everyone: Shaping the Future of Downtown Oakland," September 2015.

Figure 4. Office Rents and Vacancy Rates: Oakland and the East Bay, 1997-2017



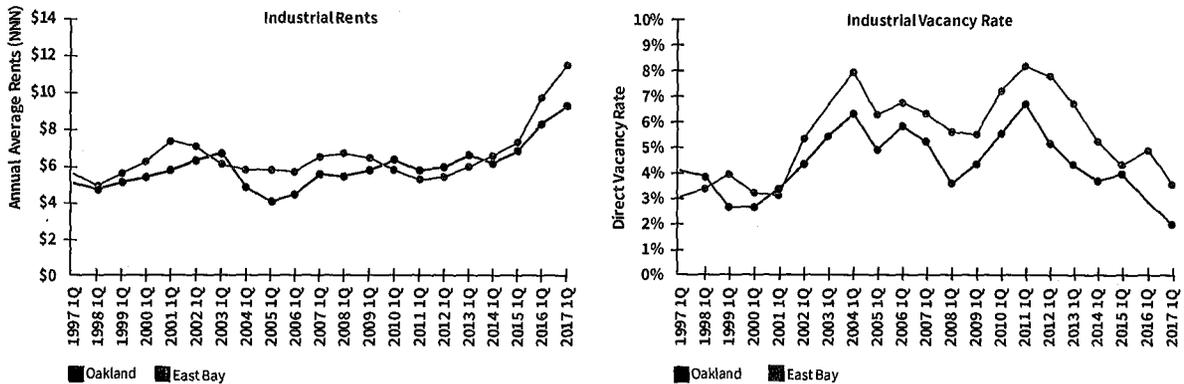
Source: CoStar, 2017; Strategic Economics, City of Oakland. South Bay Data from Kidder Matthews.

Industrial

Oakland has approximately 33 million square feet of industrial space, concentrated in West Oakland near the port, around the airport and along the I-880 corridor. As of mid-2014, Oakland's industrial vacancy was the fifth lowest in the country, and the vacancy rate has continued to fall since that time (Figure 5).

There is particularly strong demand for small storage and manufacturing spaces, especially for food production. Many of the remaining vacant spaces in Oakland require extensive renovations, or currently have renovations underway.

Figure 5. Industrial Rents and Vacancy Rates: Oakland and the East Bay, 1997-2017



Source: CoStar, 2017; Strategic Economics, City of Oakland.

Oakland's significant inventory of industrial space, combined with the city's excellent transportation access, allows the city to function as a major regional hub for transportation, distribution, and warehousing. Food and beverage production, printing, packaging, fabricated metals, and home construction materials are all booming along the I-880 corridor, which is the most competitive location for manufacturing and distribution in the Bay Area. At the same time, limited space availability and high prices are putting pressure on existing businesses that occupy industrial space. This includes many artists, makers, and small entrepreneurs who struggle to find or maintain affordable space to stay and grow in Oakland.

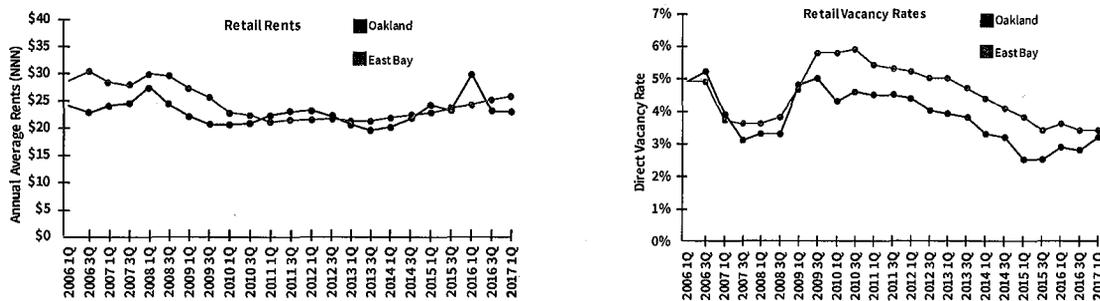
Retail

Oakland has 55 distinct shopping districts, featuring a wide range of small, locally-owned specialty and food shops, neighborhood-serving stores, unique ethnic shops, upscale boutiques, and over 50 regional and national retailers. Overall, the city's retail vacancy rate is very low, falling

under 3% in 2015, well below the East Bay average (Figure 6).

However, this average masks significant differences in performance among the city's neighborhood retail corridors. Many of the vacancies in Downtown have been filled, and commercial districts in North Oakland and the hills are thriving. Since the passage of the Broadway/Valdez Specific Plan, the district has attracted proposals for hundreds of thousands of square feet of new retail, including a new shopping center anchored by Sprouts grocery store. The recent renovation and expansion of the Foothill Square Shopping Center in East Oakland also provides improved access to food, groceries, and other goods and services for residents. At the same time, districts in other parts of the city still have significant vacancy rates, and many neighborhoods in East and West Oakland lack access to full-service grocery stores as well as other retailers serving daily needs. In addition, many small, family-owned retailers throughout the city could benefit from assistance in marketing, improving storefronts, planning for succession, and other areas.

Figure 6. Retail Rents and Vacancy Rates: Oakland and the East Bay, 1997-2017



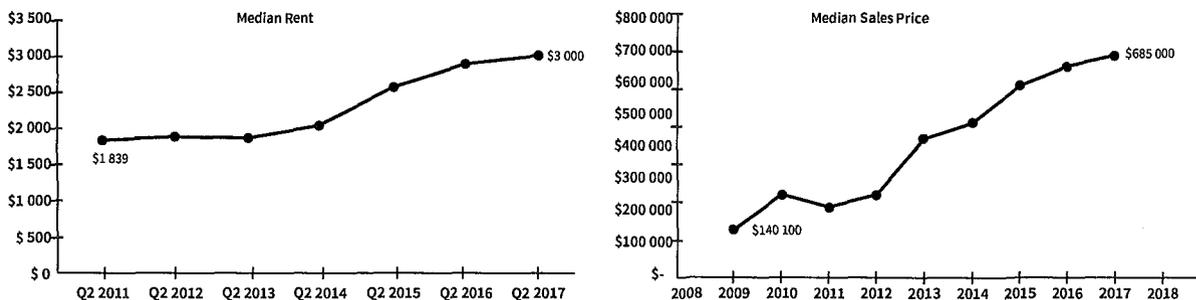
Residential

Strong employment growth throughout the Bay Area has led to rapidly increasing housing costs in Oakland. Rents and sales prices have spiked since 2011 (Figure 7) and Oakland continues to experience some of the fastest rising housing prices in the country. Job growth in San Francisco has created market pressure for Oakland to accommodate higher-income households, creating mounting concerns about the displacement of existing residents. Increasing housing costs are arguably the most significant challenge currently facing Oakland residents. To this end, the City has adopted the Housing Equity Roadmap to recommend and implement new policies in support of housing, with the ultimate goals to protect affordability in 17,000 households for Oaklanders where they currently live, and build 17,000 new homes throughout the city for people of all incomes. The Strategy recognizes this work as essential to maintaining the City's economic development goals.

One of the most significant changes in Oakland's economy in the last decade is the rapid escalation of home values and rents.

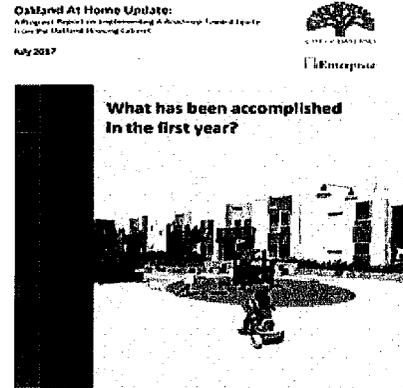
Just over 3,000 housing units were under construction in the first half of 2017 in Oakland, and an additional 17,000 units – including at least 1,130 affordable or senior units – were planned or proposed. Most of the recent development activity is concentrated in Downtown and North Oakland, with additional current and proposed projects in West Oakland, around all the BART stations, and in other transit-accessible locations such as the International Boulevard corridor (Map 2). In East Oakland, the planned developments at Brooklyn Basin (3,100 units) and Oak Knoll (935 planned units) are the largest residential projects in the Strategy's three-year time horizon.

Figure 7. Residential Rent and Sales Price Trends: Oakland



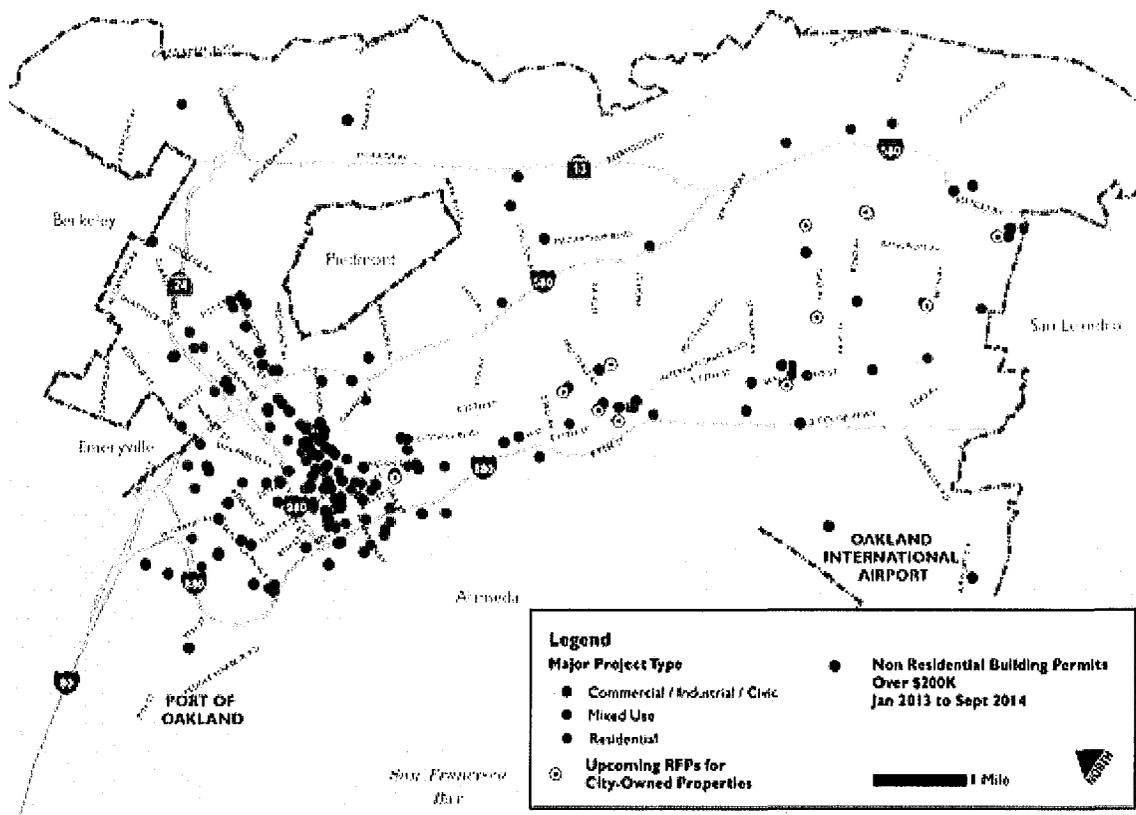
Source: CoStar, 2017; Strategic Economics, City of Oakland. South Bay Data from Kidder Matthews

While new housing development represents an opportunity to expand housing choices within the city, housing development must also be balanced with the need to maintain Oakland's diversity of businesses and jobs. The City must ensure through zoning and cross-departmental coordination that sufficient land is preserved for industrial and other employment uses.



The City is tracking housing progress annually at <http://oakland-home.squarespace.com>

Map 2. Major Projects (Under Construction and Planned) and Recent Non-Residential Building Permits, 2015



Participation in Oakland's Economy and Disparities by Income, Neighborhood, and Race

Oakland's growing economy benefits many of the city's residents. However, ensuring that residents across Oakland, including low-income residents and people of color, have equal access to employment remains a challenge. This section discusses how residents benefit from Oakland's economic growth as well as persistent economic disparities by neighborhood and race/ethnicity.

Employment

As the local and regional employment base has grown, Oakland's unemployment rate has fallen from a high of 16% in 2009 to under 6% by the end of 2015. The gap between the City and County unemployment rates has also declined. Between 2000 and 2012, Oakland's unemployment rate averaged 3 percentage points higher than Alameda County's. This difference shrank to just over 1 percentage point by the middle of 2015 (Figure 8).

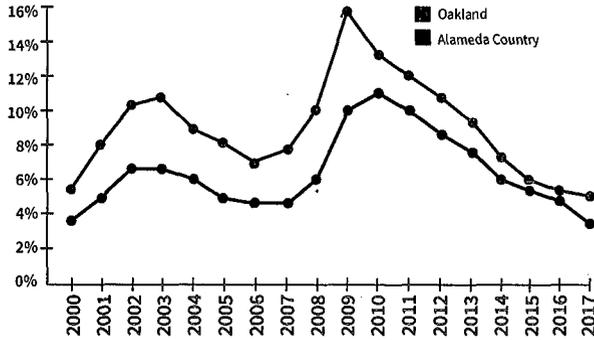
While Oakland's unemployment rate has decreased significantly on average, unemployment in some neighborhoods remains much higher than in others. Map 3 shows unemployment rates by zip code.

The lowest unemployment rates are found in North Oakland (including zip codes 94608, 94609, and 94610) and the Oakland hills (zip codes 94602, 94611, 94618, and 94619). The highest unemployment rates are found in East Oakland (including zip codes 94601, 94603, 94605, and 94621) and West Oakland (94607). Note that this unemployment rate only counts residents who are actively looking for work as unemployed and does not reflect discouraged workers who are no longer looking or those who are underemployed.

Another way to show the geographic variation in Oakland's economic growth is transit ridership. Thanks to an influx of new residents and jobs, BART ridership at the Downtown-19th St. Station has increased 42% since 2010. The Coliseum Station saw ridership increase only 4% in the same time period.

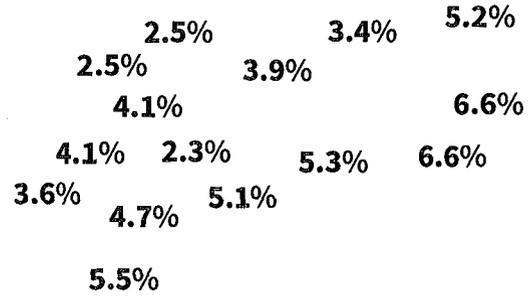
While the unemployment rate also reveals racial disparities, the unemployment gap has shrunk considerably in the last couple of years. Unemployment for Black Oaklanders shrunk from 25% in 2013 to 9% in 2015, lower than the state's 11% Black unemployment rate. Latino/a and Asian unemployment also dropped from 11% to 7% and 8%, respectively.

Figure 8. Unemployment Rates: Oakland and Alameda County, 2000-2015



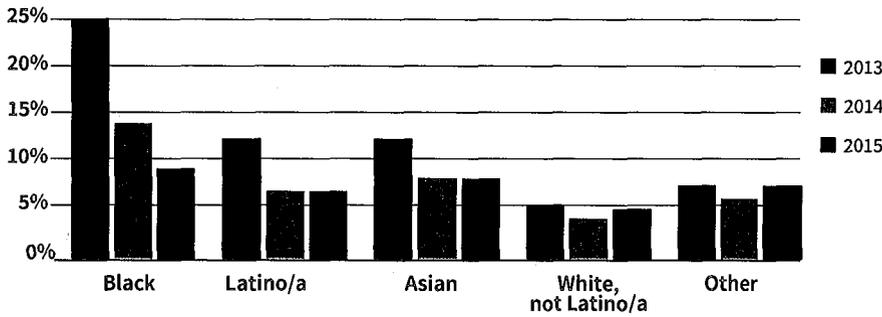
Sources: CA Employment Development Department

Map 3. Unemployment Rate by Zip Code, April 2017



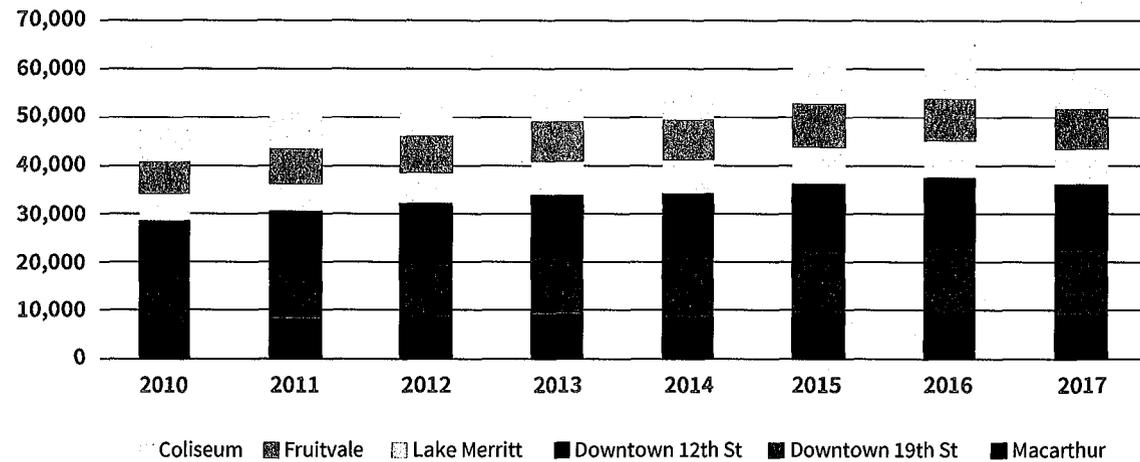
Unemployment by Zipcode
April 2017, CA Employment Development Department Estimated

Figure 9: Unemployment by Race and Ethnicity, 2013 - 2015



Sources: US Census Bureau, American Community Survey, City of Oakland, 2015

Figure 10. Oakland BART Station Weekday exits, 2010-2017



Source: BART

Income and Poverty

In addition to providing more employment opportunities, the improving economy has also contributed to higher City revenues. In particular, revenues tied to economic growth – including property, sales, business license, real estate transfer tax, and transient occupancy (hotel) tax revenues – have all increased significantly since the recession. Increasing revenues, combined with cost saving efforts, have enabled the City to invest in additional services for residents. The 2017-19 City budget included allocations for increased police training and oversight; expanded library hours; and additional code compliance officers to enforce against blight, abandoned buildings, and illegal vending as well as allocations to expand the rental housing inspection program. However, City costs – particularly the costs of benefits – continue to increase faster than revenues.

While the city's overall economy has improved significantly, income inequality has risen. This is true at both national and state levels, too. Income inequality increased sharply in California over the past two decades, increasing faster than in the U.S. as a whole. California also has the nation's highest rate of poverty, even without considering the high cost of living. There are also sharp racial disparities: 22% of the state's Black population and 19% of its Latino/a population lived in poverty in 2016, compared to 13% of Whites and 11% of Asians.⁴ Oakland has the same significant disparities in income and employment among racial and ethnic groups, as well as among different neighborhoods.

For example, in 2016, approximately 26% of Oakland's Black population, 23% of its Latino/a population, 18% of Asians, and 11% of Whites lived in poverty.⁵ As shown below, employment rates also vary by demographic and geography.

Approximately 16% of Oakland families live in poverty – including 24% of families with children – compared to 9% of all families in Alameda County. Despite large swings in other economic indicators in the last five years, the poverty rate has hardly moved. White households have significantly less poverty overall and enjoy nearly double the median household income of most other demographics. (Figures 11 and 12). While Black, Latino/a and Asian unemployment rates have decreased significantly, the median income for these groups shows little change. Overall, Oakland's residents are more likely than other Alameda county residents to work in lower-paid occupations such as food preparation, maintenance, personal care and services, construction, and transportation.

The City's minimum wage law, which went into effect in 2015, benefits many workers in these occupations. The City's analysis estimated that 57,300 Oakland workers, or 27% of the City's employment, were affected by the 2015 minimum wage increase. The new minimum wage is tied to the regional consumer price index and will increase with inflation each year. However, regional analysis (Figure 13) shows that these gains are working against a trend of declining wages for low wage workers.

⁴American Community Survey

⁵US Census Bureau, 2014 American Community Survey.

⁶Hausrath Economics, "Economic Impact Assessment Of Proposed Minimum Wage Increase In Oakland," July 2014.

Figure 11. Poverty Rate by Race and Ethnicity, 2015

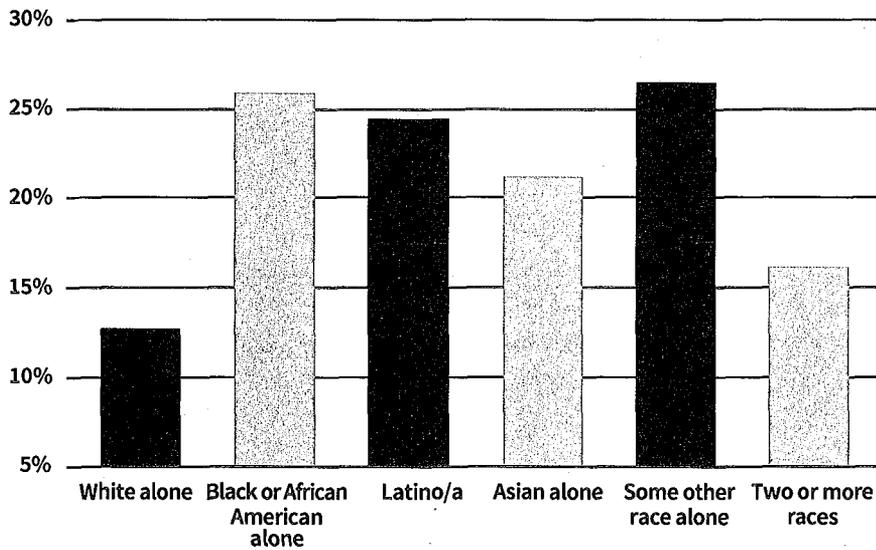
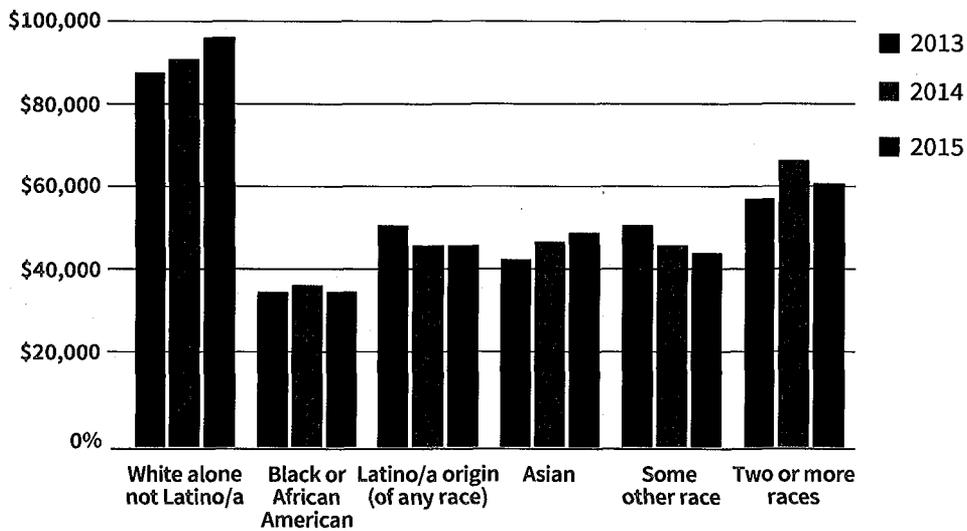


Figure 12. Median Household Income by Race and Ethnicity of Householder, 2013-2015



Sources: US Census Bureau, American Community Survey; City of Oakland.

Education and Educational Disparities

Oakland exceeds national levels both for the number of adults with college and post-graduate degrees, and for the number of adults who did not complete high school.⁷ In the past decade, Oakland's public schools have made important gains in student achievement. Unfortunately, the number of children meeting key educational milestones still needs improvement, and on most metrics, the achievement gap persists when comparing Black and Latino/a to White and Asian students (Figure 14). While Oakland's graduation rate has improved in recent years to 63%, it still lags behind the average graduation rate of 80% for Alameda County and California.⁸ A majority of Oakland's public schools serve students of color and those from socioeconomically disadvantaged or language minority backgrounds and too many Oakland students are not gaining the skills needed for successful employment.⁹

Finally, Oakland also has a large and growing population of formerly incarcerated individuals who are a distinct demographic with barriers to earning potential and employment. Incarceration is both a predictor and a consequence of poverty. Alameda County estimates over 5,000 Oakland residents have a conviction record. People with convictions often carry fee- and fine-related debts while their economic opportunities are diminished and family members are often responsible for the costs of incarceration.¹⁰ Criminal justice reforms, combined with reduced barriers to jobs and housing, may have a significant impact on household earning potential and the demand for City services. Providing opportunities for all Oakland residents to participate in the economy will be key to our success.

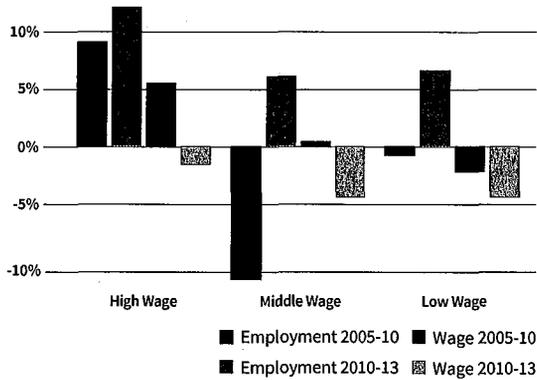
⁷<http://www.clrsearch.com/Oakland-Demographics/CA/Education-Level-and-Enrollment-Statistics>

⁸<http://www.ofcy.org/assets/Uploads/OFCY-Strategic-Plan-2016-2019.pdf>

⁹City of Oakland Resiliency Strategy--Preliminary Assessment.

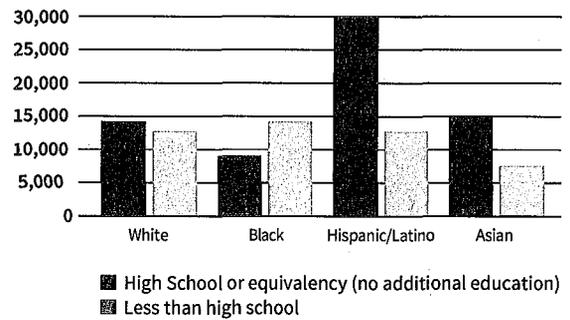
¹⁰Saneta deVuono-powell, Chris Schweidler, Alicia Walters, and Azedah Zohrabli. "Who Pays? The True Cost of Incarceration on Families." Oakland, CA: Ella Baker Center, Forward Together, Research Action Design, 2015.

Figure 13: Regional Analysis of Changes in High, Middle, and Low-Wage Employment and Wages



Source: Association of Bay Area Governments from CA Employment Development Department Occupation and Wage data, adjusted for inflation

Figure 14. Educational Attainment by Race or Ethnicity, 2014



Sources: US Census Bureau, 2014 American Community Survey; City of Oakland, 2015.

Disaster Preparedness and Resilience

The City of Oakland has several ongoing efforts to prepare the city for natural disasters and a changing climate.

These include:

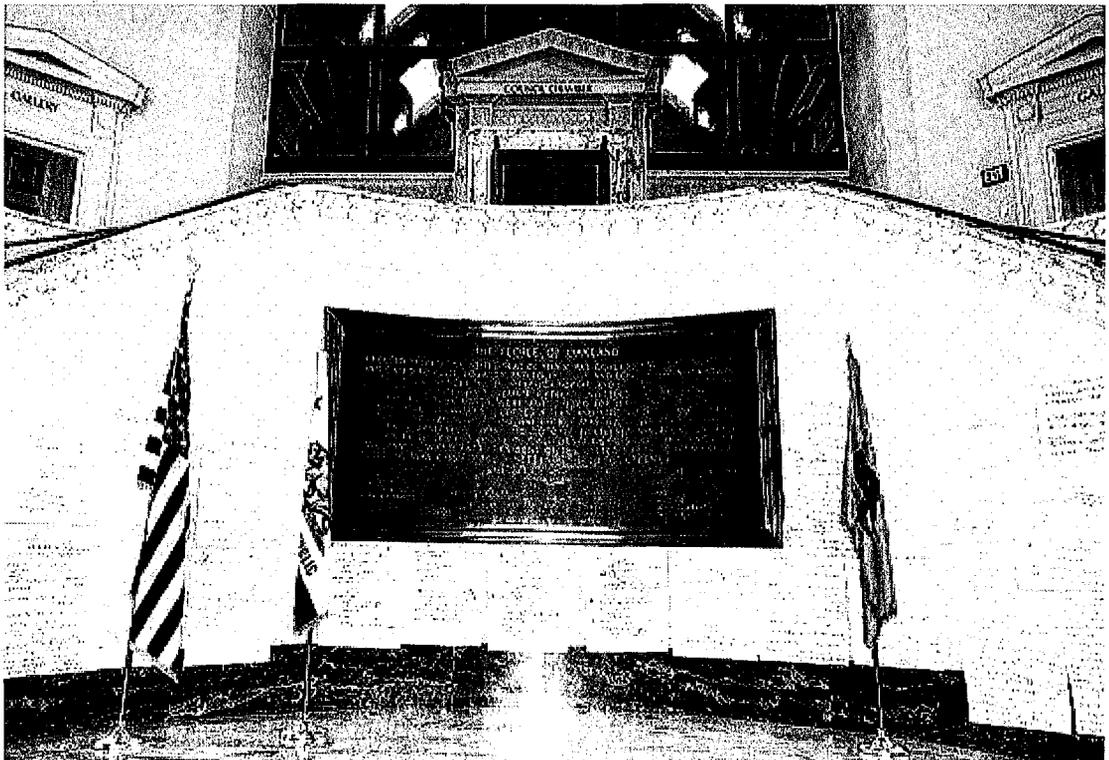
- Energy and Climate Action Plan Update
- Soft Story Retrofit Program
- Oakland Resiliency Handbook
- Local Hazard Mitigation Plan
- Green Infrastructure Plan
- Preliminary Sea Level Rise Road Map

These collective efforts help to reduce the city’s current and future climate and seismic risks, maximize the value of our infrastructure investments, and provide essential urban greening – all important measures for maintaining the local economy and economic security.

Appendix B: Summary of Public Outreach and Stakeholder Input

This strategy incorporates significant outreach to City elected officials, staff, and a variety of stakeholders. The Economic Workforce Development Department organized a series of focus groups and interviews that included staff from multiple departments, business owners, the Chamber of Commerce and other civic organizations, educational and health institutions, and state and regional agencies that provide services in Oakland. The focus group participants provided

input on the values and goals that should guide the Strategy, provided feedback on the opportunities and challenges facing Oakland, and suggested ways that EWDD's work plan could be adjusted in order to be more responsive to changing conditions. The Mayor's Office, City Council, and Community & Economic Development Committee also provided input and feedback throughout the process. This appendix provides a summary of feedback from the focus groups and other outreach conducted as part of this process.



Summary of Recommended City Actions: Economic Development Strategy Focus Groups

Arts

- **Develop a broader Arts vision and adopt a statement** that the City values and encourages the arts
- **Improve property ownership and access to facilities and maker spaces** for artists
 - Develop vacant properties into affordable spaces artists can use
 - Create medium-sized space (smaller than Fox Theater) to accommodate artists
 - Improve marketing of spaces dedicated to art
 - Support innovation around funding for maker spaces, co-ops, big business investment, venture capital, and microloans
- Champion Oakland artists – particularly in public spaces (model: “SF’s Living Innovation Spaces”)
- **Improve permitting/grant-making/ insurance processes to be more transparent, consistent, and non-discriminatory** (discrimination relates to difficulty of insuring rap / hip hop events)
- **Develop career development assistance for artists** (perhaps a business assistance center for artists)

- **Collaborate across departments to support artists** (i.e., police & fire departments code inspections can help or hurt artists)
- **Retain industrial or other manufacturing companies** that artists rely upon in the city (flight to Richmond and other cities among metal manufacturers, industrial printers, etc)

Manufacturing

- **Support the continued growth** of Food production/logistics/ support services like packaging – all businesses that thrived during the recession – along the I-880 Corridor
- **Bring new industrial real estate to market**, especially small storage and manufacturing spaces for food production
- **Use flexible Zoning** to support design and manufacturing occurring in a single space.
- **Invest** in high-end dark fiber infrastructure
- **Encourage** food and advanced manufacturing industries to cluster
- **Offer financing** via shared revolving loan funds
- **Invest in training** to supplying the talent for construction and mechanics jobs

Clean and Green

- **Strengthen workforce development programs** that respond to growing demand for primarily white collar jobs (not blue collar jobs) in the green economy
- **Provide public safety** for the sector by building upon the success of Ambassador's Program in downtown Oakland
- **Foster equity in the sector for low-income residents and people of color**
 - Support urban gardening and forestry projects/organizations
 - Strengthen Green Academies in Oakland Unified School District to encourage local hiring.
- **Educate business owners about benefits of participation in clean energy pilot projects** to generate demand for clean & green services (example: International Boulevard Commercial Energy Efficiency pilot)
- **Market** the clean and green sector success story in Oakland to attract new businesses and brokers (particularly around solar)
- **Set up a City of Oakland booth** at the annual InterSolar conference each July
- **Draw new green businesses** by gathering groups to visit clusters of existing businesses

Small Businesses

Smooth out City's small business processes – as primary goal:

- **Improve education and outreach** on how to start a business in Oakland and move additional resources online (interactive flow charts)
- **Assign case managers** for each business or give businesses online accounts in database for City departments to track information and progress
- **Streamline permitting** process and put it online
- **Share more information on Business Service Organization partnerships**, particularly online, and the services they provide by category (first stops, funding, support & technical assistance, assistance finding affordable space, and navigating real estate)
- **Reframe SBA guide language** to take on more encouraging tone about starting a business
- **Coordinate co-location of complementary businesses**

Incentivize growth of small business sector – as secondary goal:

- **Provide cash rewards** for reaching a specific milestone
- **Develop a commercial lending** system or utilize HUD section 108 loan guarantee program
- **Show ROI of various economic development incentives** for businesses: loans, grants, staff help, hiring/training

- **Brand start-up sector** to encourage growth in the space: “StartBiz Oakland” and defer start-up obstacles/fees for up to 2 years
- **Develop and tailor incentives to equitably support local, existing businesses** – particularly those in challenging neighborhoods

Retail

- **Fill retail gap in general merchandise/ comparison goods sectors** that often only locate with each other
- **Communicate Oakland’s appeal to out-of-town directors of real estate** (local directors already understand)
 - ▶ more affordable land/leasing rates, local flavor, credible and fair City planning staff, etc.
- **Incentivize Oakland residents to “shop-local” in their own neighborhoods**
- **Address perception that retail projects won’t necessarily come to fruition** due to policy inconsistency
- **Decide if/how Oakland wants to develop retail chains** – different approaches for different neighborhoods
- **Foster vocal community groups to input into retail planning**
- **Encourage impact fee phased implementation**
- **Repurpose more existing buildings,** like CVS on Broadway
- **Bring in a pioneer retail business along International Boulevard** to lead the way and demonstrate the neighborhood’s high potential
- **Ensure that zoning is for retail only (or retail hybrid) in key areas (corners, not mid-block) of underserved areas**
- **Build Building Department capacity and make fees and policies less short-sighted** to facilitate earlier sales tax revenue generation & employee payment
 - Hire additional permit coordinator for large projects
 - Offset “wet weather” moratorium
 - Standardize permitting process to reduce bureaucracy
 - Help retailers better estimate fees they will incur
- **Share retail success stories with other tenants in a given neighborhood**
- **Connect Workforce Development staff with retailer HR staff to enhance hiring**

Transportation

- Prioritize implementation of Complete Streets & take advantage of paving schedule to redesign and implement them** (Broadway, currently missing bike lanes in areas) in strategic areas at a tipping point
- Invest in 3-4 major streetscape areas, i.e., 14th (West Oakland to Lake Merritt, 73rd to Macarthur & Hwy 13 on ramp, & Broadway from W. Grand to Jack London)

- Continue International Boulevard and Telegraph Avenue re-designs in progress
- Focus on on/off ramps such as Broadway-Jackson for 5th Street exit connection to Alameda & Jack London Square

Re-design key streets to support localized economic development

- Demonstrate economic impacts in transportation grant applications
- Demonstrate economic impact of bike infrastructure
- Support creation of a Transportation Vision linked to economic development
- **Support freight/port logistics and prioritize well-executed loading zones**
- **Improve streets and public space**
 - **Short term:** Create more plazas out of extra street space leveraging maintenance from community groups & BIDs
 - **Midterm:** Reduce street space to enable private development to sell it to landowners to enlarge development footprint
 - **Long term:** I-980 Freeway becomes available for land development

Develop Demand Responsive Parking (working well in Berkeley), pilot program in Montclair. Bill as a customer and business-focused initiative, about access to commercial areas

Tech

Generate publicity around competitive advantages that Oakland offers tech sector

- Highlight lower costs than SF/SV for large tech firms & startups & their employees
- Engage tech companies aligned with socio-political interest in tackling diversity issues
- Promote and feature DevLabs model as a global tech incubator for people of color
- Attend hackathons and Tech Crunch events outside of Oakland to be visible and tell Oakland's story
- Highlight and nurture growing cluster bright spots in EdTech and Solar

Generate local supply of tech workers and local demand for tech company services

- Coordinate closely with OUSD academy to discover new ways of learning and training, especially for minority communities
- Nurture pipeline of coding academies based in Oakland
- Connect tech entrepreneurs to trainings in valuation and equity
- Use RFPs for City work to engage tech services – need for more transparency in contracting to ensure supplier diversity
- Use Google One and Google for Entrepreneurs; City should provide open data and ask for help with specific problems it faces or that NGOs are facing

- Encourage large tech firms supplier/vendor relationships with local, minority-owned biz's

Improve enabling environment for tech sector

- Explore broadband infrastructure access and appoint leader to ensure its development
- Offer more Class A space that doesn't need major upgrades
- Address prevalence of crime and blight
- Address weaknesses of Oakland public school system that prevent families from moving here
- Start Oakland-based VC fund
- Explore non-VC funding for mission-based companies (i.e: Community Banks)

Oakland's Regional Role

- **Leverage Oakland's competitive advantages in the region** (availability of space, strong artistic and urban culture, affordability relative to other regional cities, diversity & integration, good transportation, "hipness," Port of Oakland & industrial space, robust small business and start-up sector, growing energy/green growth sector, presence of UC as an investor with an endowment)

- **Utilize impact fees** – developers willing to pay, but more clarity needed on how process works in Oakland

- **Strengthen global strategy around airport, port, and foreign trade zone development**

- **Support building and modernization of manufacturing/industrial facilities** to reduce flight of companies to other cities, and to support large manufacturing (blue collar) talent base currently in Oakland in need of middle-wage jobs

- **Develop workforce pipeline for white collar professional and administrative staff;** training is currently focused on other sectors

- **Prioritize investment in East Oakland, especially in business community/commercial corridors there** (will have regional impact) & **consider incentives for businesses to locate outside of downtown**

- **Support formation of complementary clusters of businesses**

- **Engage in regional goods movement planning** (especially re: clean tech, which plays big role in Oakland)

Equity

- **Target federal, state, and local resources to geographic areas that are most vulnerable** (double digit employment zip codes, high truancy rates, high blight rates)
 - Ex: Cap & Trade revenue + other future revenue sources such as a transportation tax
- **Take a systems approach to equitable growth:** must define a vision in terms of what type of economic growth Oakland wants. Then take a holistic approach using multi-pronged, coordinated interventions around workforce development, affordable housing, economic development etc. Oakland Army Base as positive model (transport + job creation).
- **Similarly, create explicit links between equity planning strategies that are interrelated** (i.e.: Housing Equity Roadmap should be referenced in Economic Development Strategy).
- **Ensure that job quality & job access standards are included in every foundation grant**
- **Ensure that neighborhood stabilization is prioritized (residential & business) as a prerequisite to equitable growth** (ie: tenant protection)
- **Promote economic benefits for B-Corps** by exploring models of community benefits that increase social impact of companies. (Emeryville requires tenants to provide in-kind services to schools for a break on rent)
- **Foster community engagement (procedural justice) in projects Oakland has begun and needs to finish** (International Blvd, East Oakland, San Pablo). Oakland Sustainable Neighborhoods Initiative as positive model w/ community land trusts.
- **Create a learning environment to test best practices in equitable growth** in which we can more deliberately try out models in single neighborhoods to figure out what works
- **Explore innovative models for sustaining/growing businesses with local ownership** (employee stock ownership, resident ownership models, direct resident investment in local businesses)
- **Ensure low-income residents & people of color have access to workforce development training linked to actual jobs in fastest growing sectors** (tech, green space); take proactive approach to predicting needs in these sectors

Resiliency

The international 100 Resilient Cities program goals include “Foster Economic Prosperity” and “Support Livelihoods & Employment.” Locally, public stakeholders in Oakland’s Resiliency planning process, supported by the Resiliency Task Force, an interdepartmental team of City staff, selected economic development and security as one of the top issues the City should address.

The Resiliency Playbook states as its goal: “Oakland will enable all residents to be economically secure, build wealth, and achieve their full potential, regardless of race or means. Oakland seeks to build a model of responsible economic growth and business attraction, in concert with a commitment to building economic security, especially for those who have historically had limited access to opportunity.” The Playbook recommends the following actions:

- **Support asset building** for low-income parents and children through Oakland Promise College Savings Initiatives
- **Create pathways to career success** for young men and women of color
- **Design a suite of inclusive economic development services** to help entrepreneurs of color gain equal footing in Oakland’s economy
- Align economic resilience goals with the **Oakland Thrives** wealth impact table

In addition, the Resiliency Task Force highlighted the need for affordable housing and floated the idea of business support for landlords and property managers in order to achieve the City’s housing goals.

Additional Public Forums on Economic Development

SpeakUp OaklandForum¹

- **Return to Community Development Block Grant Boards** which kept the City connected and aware of issues affecting every Oakland community
- Implement a program that provides tools and opportunities for local companies **that make products in Oakland**
- **Renovate the Henry J. Kaiser Convention Center/Calvin Simmons Theater**
- **Regulate and tax illegal activities**
- **Create a clear development vision** for Oakland that connects its neighborhoods. Recognize the vibrant arts community, give better opportunities and cheaper space to the growing small/micro business community
- **Bring entrepreneurship training programs** and support services to Oakland
- **Create a protected bike path** connecting Lake Merritt, Jack London Square, and West Oakland
- **Use a marketing campaign** to change the perception of Oakland
- **Use community development incentives to help sustain existing locally owned business** and to invest in expansion as well as create compliments to existing locally owned business. For instance, if there is a coffee shop, fund an ice cream store next door

- **Use wage and employment incentives** to make it possible for the least advantaged residents be to increase contribution to local economy.
- Support organizations that **provide technical assistance to worker-owned businesses** and succession planning for retiring business owners.
- **Increase residential densities and reduce parking** to increase demand for local services

East Oakland Listening Session²

- **Invest in East Oakland entrepreneurs, brick & mortar businesses, and infrastructure** at a comparable scale to the public investment in Downtown and Lake Merritt
 - Desired business types include pharmacies, health & wellness, academic services, banks & credit unions, spaces for students and people in recovery
- **Illuminate City of Oakland Planning and Economic Development processes and programs affecting commercial corridors** to explain why some commercial corridors are unorganized or failing.
- **Increase education and training resources**
- **Improve diversity in hiring**, including at public schools

- **Remove barriers** to hiring and address discrimination for re-entry population
- **Support development of co-ops and resource sharing**, including public education on investment and credit repair
- **Enable community-led** purchasing and redevelopment of vacant parcels
- **Establish land trusts**
- **Stop high rent increases, absentee landlords, and homelessness**, which affect student truancy
- **Increase homeownership**, including through downpayment assistance, job security, improving credit, and increased awareness of existing services
- **Reduce Real Estate speculation** and vacant properties
- **Eliminate illegal dumping** and improve City communications around blight
- **Fund community ambassadors** to keep streets clean.
- **Use youth program funding** to train the next generation of Oakland workers and residents
- **Be vigilant** about program implementation

West Oakland Commerce Association³

- **Assign more** dedicated business development staff to be on the street
- **Emphasize retention** of light industrial businesses, especially those offering good career pathways to non-college graduates
- **Understand Regional obligations and relationships**
- **Separate** Custom Manufacturing from Food Production as a distinct sector
- **Improve processes** for opening a business and interdepartment coordination
- **Resolve infrastructure and blight** issues in order to allow business communities to thrive and to attract new businesses
- **Consider a commission or other ongoing body** that can elevate business issues and the conversation around economic development
- **Value** the industrial businesses for their contributions to the local economy
- **Provide code enforcement** around vacant properties
- **Be flexible and offer lien forgiveness** for property owners willing to work with the City and community to develop buildings consistent with the established vision

¹<http://speakupoakland.org/projects/economic-development-strategy>

²<http://www.eastoaklandcollective.com/>

³<http://www.woca.biz/>

Workforce Development Board⁴

- **Explore and develop incentives, systems and tools** that encourage Oakland-based businesses to hire local residents.
- **Coordinate** outreach, marketing and communications strategies among business service providers to minimize duplication of efforts and enhance community impact.
- **Develop and/or strengthen** programs, services, and initiatives that meet the workforce development needs of **historically underserved populations** who need more assistance with accessing quality jobs.
- **Strengthen and expand work-based learning opportunities for youth** and young adults in the City Of Oakland, with particular emphasis on summer employment.
- **Link, align, and leverage public, private, and philanthropic resources and investments** to strengthen the ecosystem of public, private, and community-based organizations supporting workforce development in the City Of Oakland.
- **Consider examples from other Cities**, such as subsidized or free space to businesses in areas where the City wants to generate economic activity.
- **Maintain affordable commercial rents** for nonprofits who supplement or provide essential social services.
- **Study poverty in Oakland** to better understand what policies will effect reduction.

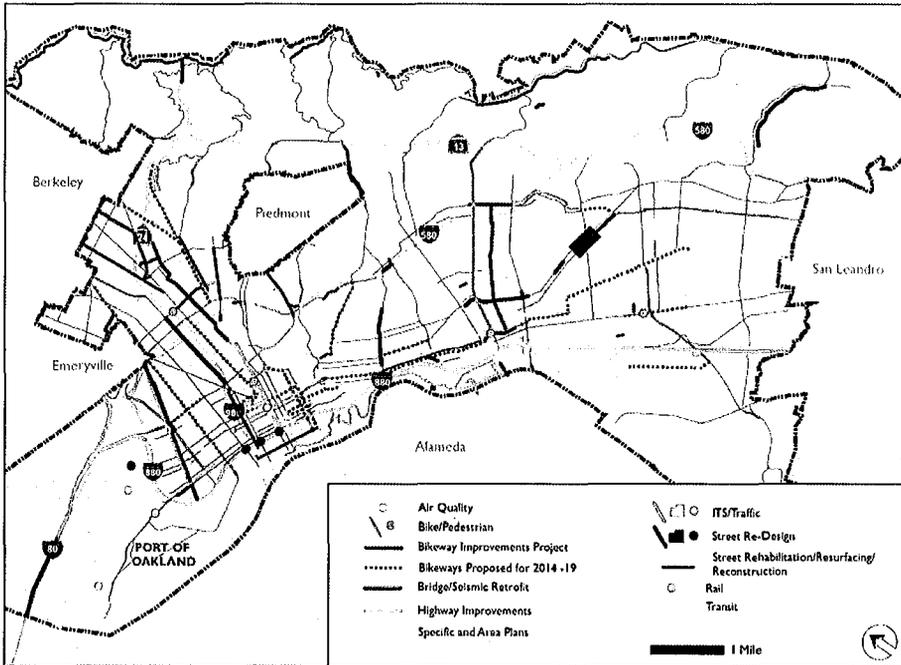


Appendix C: Document Review and Investment Map

Oakland has laid extensive groundwork for interdepartmental coordination and identifying catalytic investments through six recent Specific Plans and the International Boulevard Transit-Oriented Development Plan. The plans create a regulatory framework for new development, and identify investments needed to improve local infrastructure and public space, physical appearance, and safety. Many of the plans also have an explicit focus on equitable access to transportation and jobs, and on providing improved infrastructure and other community benefits for low-income residents and people of color. The Strategy provides direction to achieve some of those goals. Capital investments planned for the next five years will help implement the Specific Plans and bring additional transportation, parks and open space, and utility improvements to Oakland's neighborhoods.

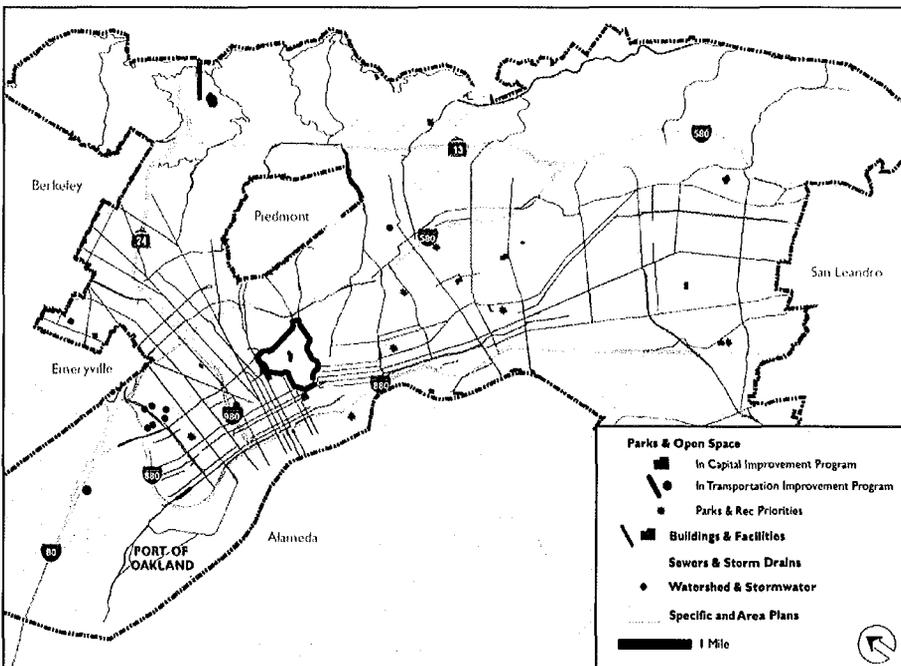
Map 4 shows public infrastructure investments in streets, parks, buildings, and sewer and storm drains planned for the next five years, which is the intended time frame for the Strategy. Many of these investments represent opportunities for business engagement around street redesigns. The most significant, the construction of Bus Rapid Transit on International Boulevard, includes extensive community involvement and has business engagement and arts programming and placemaking underway. The successful completion of this project is an economic development priority and a potential model for other corridors.

Map 4. Five-Year Investments: Capital Investments Planned by the City of Oakland, 2014-2019 – Transportation and Non-Transportation (Parks, Buildings, Sewers & Watersheds)



ECONOMIC DEVELOPMENT STRATEGY
5-Year Investments in Transportation

Planning and Building Department
 October 2015



ECONOMIC DEVELOPMENT STRATEGY
5-Year Investments (Non-Transportation)

Planning and Building Department
 October 2015

Documents Reviewed

As part of the development of the Oakland Economic Development Strategy, Strategic Economics reviewed previous citywide economic development strategies, land use plans, and other relevant documents. These included the six economic and workforce development strategies that the City of Oakland and/or local

civic organizations have sponsored since the late 1990s; the City's six area plans; and other citywide plans and documents, including the General Plan Land Use and Transportation Element, the Oakland Redevelopment Agency Successor Agency's Long-Range Property Management Plan, and the Climate Action Plan.

Figure 15. Strategies and Plans Reviewed

Citywide ED Strategies		
Forging An Economic Development Strategy For The City Of Oakland	1997	Claggett Wolfe Associates for the City of Oakland
Oakland Moving Forward	2006	Community Task Force Report on Economic Development for the Dellums Task Force
Taking Stock of Oakland's Economy	2007	McKinsey & Company for the Oakland Metropolitan Chamber of Commerce
A Collaborative Economic Development Strategy for Oakland	2008	Oakland Partnership (collaboration of City & Chamber of Commerce)
Retail Enhancement Strategy	2008	Conley Consulting Group
Staff Cluster Analysis and Strategy Outline (Draft)	2013	Economic Development staff
Workforce Strategies		
Workforce Investment Board Strategic Plan 2013-2017	2013	Oakland Workforce Investment Board
Area Plans		
International Boulevard TOD Plan	2011	City of Oakland
Central Estuary Area Specific Plan	2013	City of Oakland
West Oakland Specific Plan	2014	City of Oakland
Broadway Valdez District Specific Plan	2014	City of Oakland
Lake Merritt Station Area Specific Plan	2015	City of Oakland
Coliseum Area ("Coliseum City") Specific Plan	2015	City of Oakland
Other Plans		
General Plan Land Use and Transportation Element	1998	City of Oakland
Climate Action Plan	2012	City of Oakland
Long-Range Property Management Plan	2014	Oakland Redevelopment Successor Agency

Key Findings

Several conclusions emerged from the document review:

- **The City of Oakland has not adopted a formal economic development strategy since 1997.** Although subsequent efforts have involved participation from City staff, they have been driven by outside organizations including Mayor-elect Ron Dellum's transition team (2006) and the Chamber of Commerce (2007 and 2008). Economic development staff began drafting a strategy outline in 2013, but this effort was not completed.
- **Previous economic and workforce development strategies have identified a similar set of sectors for business retention and attraction efforts.** Figure 16 shows the sectors targeted in each of the economic and workforce development strategies. Sectors mentioned in most or all of the strategies are in bold. Common sectors include health care; international trade, transportation, and logistics; food manufacturing; green technology; the creative arts; and digital arts and media. In general, most previous economic development strategies have selected target sectors based on the potential to drive job growth, without considering how those potential jobs fit the education and skill levels of Oakland's existing workforce. However, the 2013 Workforce Investment Board Strategic Plan began to link target sectors with specific workforce training needs. The current effort to create an Economic Development Strategy represents an opportunity to build on the 2013 plan and improve the link between economic and workforce development activities.
- **Previous strategies have involved limited outreach to stakeholders.** Instead, most of the strategies have focused on analyzing employment trends in order to identify which sectors drive Oakland's economy. While understanding the sectoral mix of Oakland's economy is important, outreach to stakeholders is critical to evaluating the strengths and weaknesses of existing economic development programs, identifying specific challenges to economic development, and determining how the City should prioritize its economic development efforts moving forward.
- **The implementation sections of the previous economic development strategies have generally emphasized improving processes and coordination, rather than creating a concrete framework for specific economic development initiatives.** Most of the strategies have focused on increasing coordination across City departments and with other organizations in order to create a better business climate. In contrast, the Economic Development Strategy now under development will create a more specific framework to help economic development staff organize their work plans over the next five years.

- **In recent years, the City's focus has shifted to implementing specific plans in West Oakland, the Broadway/Valdez District, Lake Merritt, the Central Estuary, and the Coliseum Area.** International Boulevard has also emerged as a priority for implementing transit-oriented development around the proposed bus rapid transit (BRT) stations. The City is currently creating a Downtown Specific Plan and an Equitable Development Strategy.
- **If implemented as planned, the Specific Plans will accommodate more than three-quarters of the City's future projected job growth.** Figure 17 shows the non-residential development and associated employment gains projected for each of the five specific plan areas. In total, the West Oakland, the Broadway Valdez, Lake Merritt, and Coliseum specific plan areas ⁴ are projected

to accommodate more than 50,000 new jobs over the time horizon of the plans, or more than 75 percent of the approximately 65,000 net new jobs that ABAG projects the City of Oakland will attract between 2015 and 2014.⁵

- **Successful implementation of the specific plans will require significant involvement from economic development staff; however, prioritizing implementation actions will require ongoing coordination with other City departments.** Figure 18 summarizes some of the key implementation actions mentioned in each of the five specific plans and the International Boulevard TOD Plan. The implementation sections vary significantly in level of detail and the extent to which they assign responsibilities to individual departments or specify time frames for implementing specific actions.

⁴ The Central Estuary specific plan does not include employment projections.

⁵ Association of Bay Area Governments, 2013.

Figure 16. Sectors Targeted in Previous Economic and Workforce Development Strategies

Forging An Economic Development Strategy For The Target Industries/Clusters City Of Oakland	1997	Existing: Business Services, Health Services, Printing and Publishing, Transportation, Recreation, Arts, Entertainment, Food Processing (Manufacturing) Emerging: Software and Multimedia, Environmental Technology, Bioscience/Biotechnology, Telecommunications
Oakland Moving Forward	2006	Arts, Green Economy, Small Business
Taking Stock of Oakland's Economy	2007	Existing: Health care/Bio Tech; International Trade and Logistics; Downtown Emerging: Green Industry; Arts, Design, and Digital media; Food Manufacturing
A Collaborative Economic Development Strategy for Oakland	2008	International Trade and Logistics; Health Care and Life Sciences; Green Technology; Creative Arts
Oakland Workforce Investment Board Strategic Plan 2013-2017	2013	Health Care; Construction; Transportation, Distribution and Logistics; Digital Arts and Media; Retail; Manufacturing, including Food Production and Distribution; Green Industries
Staff Draft ED Strategy	2013	Food and Beverage; Health Care, Health Technology and Wellness; Green/Clean Technology; Creative Industries; International Trade, Logistics, and Warehousing

Figure 17. Specific Plan Development Projections: Non-Residential Space and Employment

Plan Area (Acres)	400	95	280	420	800
Non-Residential Space (Millions of Sq. Ft.)					
Existing	7.8	2.1	5.4	5.2	7.8
Net New (Build Out)	4-5	1.8	1.6	10	12
Percent Change	51%-64%	86%	30%	192%	154%
Employment					
Existing	15,890*	7,620	17,800	N/A	N/A
Net New (Build Out)	22,000	4,100	4,100	N/A	20,000
Percent Change	138%	54%	23%	N/A	N/A

* Includes specific locations identified as "Opportunity Areas" only.
Sources: City of Oakland, Specific Plans and Environmental Review documents; Strategic Economics, 2014.

Figure 18. Strategies and Plans Reviewed

West Oakland	<ul style="list-style-type: none"> • Regulatory changes • Address blight, crime, safety concerns, basic infrastructure needs • Economic development • Longer-term transportation, open space, and other infrastructure improve
Broadway Valdez District	<ul style="list-style-type: none"> • Regulatory changes • Continue marketing, coordination, and developer outreach to attract retail • Pursue strategic land acquisition and disposition • Provide public funding for structured retail parking, prioritized list of public realm improvements • Establish CBD • Develop citywide strategy for auto-related retail; relocate active dealerships from Valdez Triangle as needed
Lake Merritt Station Area	<ul style="list-style-type: none"> • Regulatory changes • Infrastructure and public space improvements (including BART station access) • Job training, local hire • Cultural preservation and vitality – e.g., public art, historical markers • Community facilities rehab – Lincoln Recreation Center, Henry J. Kaiser Convention Center, Fire Alarm Building
Central Estuary Area	<ul style="list-style-type: none"> • Regulatory changes • Transportation investments
Coliseum Area ("Coliseum City")	<ul style="list-style-type: none"> • Regulatory changes • Negotiations among developers, sports teams, public land owners (City, County, BART, Port) • Infrastructure and Pre-Development Improvements (\$236 million)
International Boulevard	<ul style="list-style-type: none"> • Continue planning for and facilitating TOD • Increase public resources to address crime • Invest in improvements to improve physical appearance, pedestrian environment, transit access, bicycle network • Prepare an EIR for the plan • Create a comprehensive approach to managing parking and traffic • Build partnerships

Acknowledgments

Mayor

Libby Schaaf

Oakland City Council

District 1 - Dan Kalb

District 2 - Abel J. Guillen

District 3 - Lynette Gibson McElhaney

District 4 - Annie Campbell Washington

District 5 - Noel Gallo

District 6 - Desley Brooks

District 7 - Larry Reid

At-Large - Rebecca Kaplan

City Administrator

Sabrina B. Landreth

The project team would like to thank the City Administrators Office, Planning Department, Public Works Department, Human Services Department, City Resiliency Team, consultants Strategic Economics and Community Design & Architecture, Civic Innovation Fellows Sergio Suarez and Kirsten Lundgren, and the many members of Oakland's economy who participated in focus groups, meetings, and online during the development of the Strategy, including the efforts and input of the Small Business Task Force.

Contributors

City Administrator's Office:

Claudia Cappio, Deputy City Administrator

Economic & Workforce

Development Department:

Mark Sawicki, Director

Marisa Raya, Project Manager

Stephen Baiter

Roberto Bedoya

Aliza Gallo

Harry Hamilton

Patrick Lane

Steve Lautze

Keira Williams

Mayor's Office:

Jose Corona

Kelley Kahn

Special thanks to Bloomberg Associates: Ernesto Friere, Gordon Innes, and Margo Yates Martinez.

Please direct comments to:

City of Oakland, Economic & Workforce Development Department
mraya@oaklandnet.com, 510-238-6230

Photo Credits

Pages 3 & 24, photos courtesy of the City of Oakland.

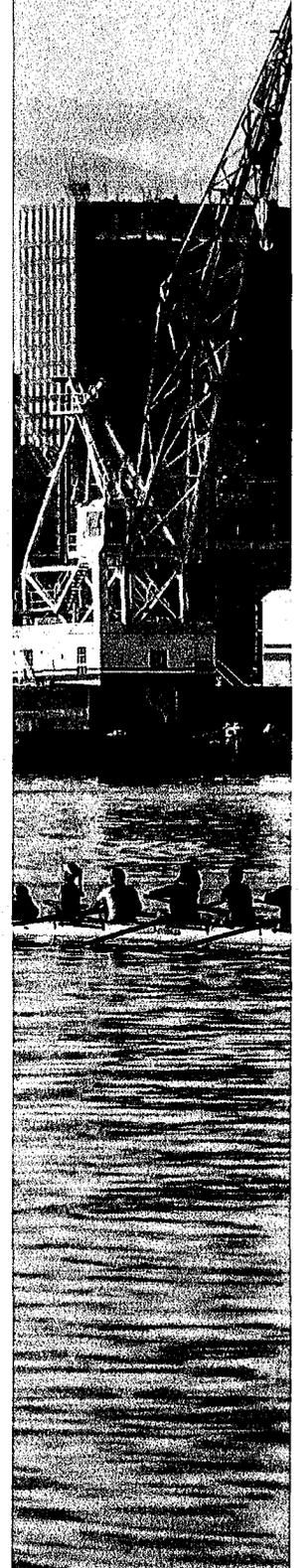
Pages 15 & 16, photos courtesy of Kiva Oakland.

Page 25, photo courtesy of Creative Growth

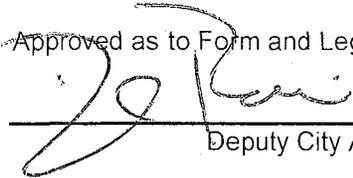
Page 26, photo courtesy of the Port of Oakland.

Page 58, photo courtesy of Marisa Raya.

All other photos by Greg Linhares, City of Oakland.



2017 SEP 28 PM 5:13


Deputy City Attorney

OAKLAND CITY COUNCIL

RESOLUTION No. _____ C.M.S.

RESOLUTION ADOPTING THE CITY OF OAKLAND ECONOMIC DEVELOPMENT STRATEGY FOR 2018-2020

WHEREAS, the City of Oakland's economy is changing, along with the City's tools to guide economic and workforce development; and

WHEREAS, many City departments and external partners play an important role in shaping Oakland's economy, including related to producing housing and affordable housing; providing and maintaining public infrastructure, parks and city facilities; permitting businesses and development; and marketing and promoting cultural arts and tourism; and

WHEREAS, City staff has prepared and presented to Council a City of Oakland Economic Development Strategy for the years 2018 to 2020; and

WHEREAS, the Economic Development Strategy represents the best achievable consensus on economic development values and goals, and may be used to communicate these values and goals internally and externally; and

WHEREAS, the Economic Development Strategy includes values to guide City policy and activities in support of economic development, which are economic security, equity and diversity, growing good jobs, fiscal sustainability, efficiency, shared responsibility, collaboration and transparency; and

WHEREAS, the Economic Development Strategy includes multiple targets for economic growth and activities in Oakland, including an increase in productivity, wages, and household wealth; and

WHEREAS, the Department of Economic and Workforce Development will report on the City's progress towards meeting these targets to the Community and Economic Development Committee of the Council; now, therefore, be it

RESOLVED: That the City Council hereby adopts the City of Oakland Economic Development Strategy, 2018-2020, attached to the staff report accompanying this Resolution, as the economic development strategy for the City of Oakland for 2018-2020; and be it further

RESOLVED: That the City Administrator or her designees are hereby authorized to take steps to implement the City of Oakland Economic Development Strategy, 2018-2020, consistent with this Resolution and its basic purposes.

IN COUNCIL, OAKLAND, CALIFORNIA, _____

PASSED BY THE FOLLOWING VOTE:

AYES - BROOKS, CAMPBELL WASHINGTON, GALLO, GIBSON MCELHANEY, GUILLEN, KALB, KAPLAN,
AND PRESIDENT REID

NOES -

ABSENT -

ABSTENTION -

ATTEST: _____
LaTonda Simmons
City Clerk and Clerk of the Council
of the City of Oakland, California