

An aerial photograph of a city, likely Oakland, California, showing a mix of residential and commercial buildings. The right side of the image is partially obscured by a dark green vertical overlay. The text is overlaid on this green area.

WEST OAKLAND SPECIFIC PLAN Final Plan

3. Market Analysis

- 3.1 Targeting Selected Business Types**
- 3.2 More Retail Opportunities**
- 3.3 Residential Development Potential**

June 2014



3: Market Analysis

FINDING A “GOOD LAND USE FIT” FOR WEST OAKLAND

Historically, West Oakland was one of the first industrial areas of Oakland. Because of its excellent access by rail and sea, West Oakland became the western terminus of the transcontinental railway in 1869, serving as both a passenger and cargo hub - especially after the development of the Port of Oakland within that same period. West Oakland continues to be a major transportation hub with the West Oakland BART station serving all East Bay-bound routes.

Due to its geographical advantages, West Oakland developed as a location for large industrial operations and continues today to be valuable to wholesale and specialty distributors for that reason. During the First and Second World Wars, West Oakland also became a center for defense-related industries because of its port and rail facilities. Over the years, many of these industrial operations have continued to prosper and modernize, while others have relocated or closed due to preferred, more cost effective suburban locations.

Looking forward, the economic development strategy underlying this Specific Plan is based on finding those markets with strong growth potential and which represent a “good fit” for West Oakland. Within the larger real estate market context of the East Bay and the Bay Area economy, there is a wide range of business

market sectors with the potential to become new, viable, attractive and desired land uses in West Oakland. Capturing a share of growth in these regional marketplaces must be based on a well-researched marketing strategy, highlighted by the following focus areas:

- building on West Oakland’s strengths in urban and custom manufacturing, industrial arts, construction and related design and engineering, and targeting growth of newer sectors that include the “green” economy and clean technology sector (such as businesses in the energy fields), the information sector (digital media, information technology, and audio/visual/film), and the life sciences and biotechnology sector (pharmaceuticals, medical devices);
- capturing the “leakage” of retail spending currently lost to adjacent cities within local West Oakland retail establishments;
- expanding the types of housing opportunities available in West Oakland so that a greater share of the demand in various residential sub-markets can be better met; and
- encouraging the types of office and commercial uses that would be suitable for Transit-Oriented Development and commercial corridor locations, and would not compete with downtown office uses.

The regional business and real estate market has recognized a shift from traditional industrial uses toward a broader diversity of “new economy

uses”, such as new digital media, trade and logistics, life science and healthcare, green technology, green design and construction, and specialty food production. These types of uses are expected to be the target industries envisioned in this Plan, complimenting existing businesses in the Opportunity Areas. The opportunities for new business and housing development identified in this chapter are capitalized on by the land use strategies presented in Chapter 4 of this Plan.

MARKET ASSESSMENTS AND DESIRABILITY

The West Oakland Specific Plan is based upon economic and real estate market assessments of the Opportunity Areas and Opportunity Sites that provide a preliminary understanding of the market viability of different land uses. Further, it determines future demand for housing on certain sites that might be considered for residential purposes through an assessment of housing demand projections based on recent history, as well as using Association of Bay Area Government (ABAG) and Oakland Housing Element projections. It also analyzes future market demand for industrial and business uses, and includes a determination of which types of industries could be targeted for the Opportunity Sites.

The market potentials for each Opportunity Area and the reuse of Opportunity Sites are focused on candidate uses and industries. The residential, arts-related, live/work, and retail use potentials have also been evaluated, with a focus on transit-oriented development opportunities at the West Oakland BART station area. Light industrial, Research and Development (R&D), and commercial use potentials have also been assessed, with a focus on the Mandela Parkway/West Grand Avenue Opportunity Area. For each potential use, the economic analysis has revealed:

- strength of demand for near-, intermediate- and longer-term development;
- long-term absorption potential;

- appropriate building product types (height, bulk, density, configuration, parking, possible reuse of existing building);
- conditions needed to attract new uses; and
- whether new uses can absorb their own development costs.

The different land use types and potential industry types have been evaluated in terms of the following characteristics:

- types of industries and business opportunities supported;
- types of jobs, in terms of occupations, wage/salary levels, and education and experience required;
- retail goods and services with the potential for additional development; and
- housing choices, in terms of unit types and affordability level (including market rate).

This information has been used to evaluate the desirability of different land use options and potentials.

The findings of these studies are summarized below and indicate the opportunities that should be considered regarding the preferred land use choices for each Opportunity Area and Opportunity Site. These land use choices, and the strategies for their implementation, are presented in greater detail in Chapter 4, Land Use.

3.1: Targeting Selected Business Types

ASSESSING THE BUSINESS MARKET POTENTIAL

Preparation of this Specific Plan included an assessment of the market potential for growth of business activities and job opportunities in West Oakland. The assessment focused on the potential for commercial and industrial development primarily in those Opportunity Areas currently designated for “Business Mix” and “Light Industrial” land uses in the Oakland General Plan and which are concentrated in the Mandela/West Grand Opportunity Area and the 3rd Street Opportunity Area.

The analysis considered market potentials for attracting growth of business activity in traditional types of industries that remain strong in West Oakland. It also considered potentials for attracting new types of industries that are anticipated to be growing and that could represent a “good fit” for job growth in West Oakland. The five sectors identified include the business functions within those industry types that occupy locations and building space that either currently exists in West Oakland or that are envisioned under this Plan. These include light industrial/flex, R&D, incubator, and business space in existing and new buildings. Business functions and industries that typically occupy Class A office space, such as is offered in Downtown Oakland, are not included. The market potential for growth of heavier industrial and truck-intensive activities are also not assessed as the relocation of the I-880 freeway further to the west has created a new boundary between the locations for heavier industrial and truck-intensive uses (now desired to the west of the freeway and in other parts of Oakland) and locations for a mix of lighter industrial and other business uses along with residential neighborhoods within West Oakland.

Five Potential Market Sectors

According to analysis performed for this Plan, the five market sectors below represent the highest potential for growth in West Oakland.

- Urban Manufacturing (including custom, artisan, additive, and advanced manufacturing);
- Construction and Related Design and Engineering;
- “Green” Economy and Clean Technology;
- Information Sector (including digital media, information technology, and audio/visual/film); and
- Life Sciences/ Biotechnology.

These sectors include newer types of industries as well as more traditional industries that still experience growth potential, and typically operate in the various building types depicted in **Table 3.1.1**.

Table 3.1.1: Building Product Types Supported by Market Sectors

Ind. Market Sector	Ind. / Lt. Mfg. Space	Industrial/Incubator Flex Space	Shared Facilities	R&D / Flex	Individual Bldgs./ Campus	R&D / Life Sciences, Mid-Rise
Life Sciences/Biotechnology			X	X	X	X
Clean Economy & Technology	X	X	X	X	X	X
Small Urban Mfg.	X	X	X		X	
Construction & Related	X	X				
Digital Media/Info. Tech.		X	X	X	X	

Urban Manufacturing, including Custom, Artisan, Additive, and Advanced Manufacturing

Today’s local manufacturing industry is dominated by small, specialized businesses that produce and assemble a wide range of products serving various markets specific to the Bay Area. Products typically include specialty foods and beverages, textiles and apparel, fabricated metal products and machinery, chemicals/minerals/ plastics, printing and publishing, custom products (i.e., furniture, woodwork, ironworks, and sign-making), and the industrial arts and other arts products. The sector includes technologically powered new manufacturing involving the use of digital and “3D” technology, which can operate in smaller, improved facilities within urban core areas.

Urban manufacturing businesses value central locations like West Oakland with proximity to the markets they serve, and they require affordable industrial areas for their operations (see **Figure 3.1.1**) Urban Manufacturing has a presence in West Oakland today.

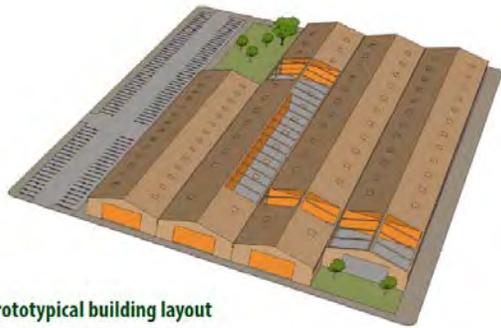
Construction and Related Design and Engineering

Design, engineering and construction contractors often are attracted to urban centers in locations like West Oakland. Such firms may be employed in building, institutional, and

infrastructure construction. While much of the construction work is done at project sites, construction businesses need a business facility to provide office and administrative support, small scale storage (of materials, tools, and equipment not otherwise housed at the job site), and staging of supplies. Industry types within this sector include contractors, specialty trades, architects, and engineers involved in residential, commercial, institutional, and infrastructure construction, as well as landscape construction and building remodeling.

All of these businesses seek affordable space, some preferring light industrial space often with yards, and others (design and engineering) seeking creative office environments (see **Figure 3.1.2**). There is a presence of construction and related businesses in West Oakland today.

Fig. 3.1.1: Industrial/Manufacturing Space



Prototypical building layout

INDUSTRY MARKETING SECTORS

- Clean Economy & Clean Technology
- Small, Urban Manufacturing
- Construction and Related

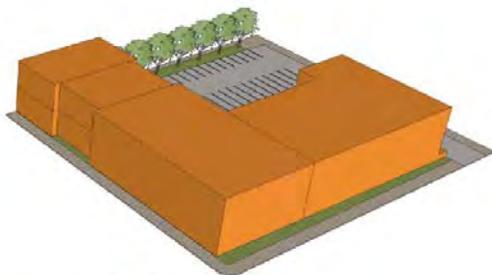
BUILDING DESCRIPTION

- 1-story, typically
- May include office space, may require clear heights
- May require storage/staging space in building and/or yard, On-site loading areas; loading docks/doors
- Surface parking
- Older, industrial bldgs. typically larger, older bldgs. divided up for smaller uses



Manufacturing in existing structure - typically larger, older buildings

Fig. 3.1.2: Light Industrial/Flex Space



Prototypical building layout

INDUSTRY MARKETING SECTORS

- Clean Economy & Clean Technology
- Small, Urban Manufacturing
- Construction and Related
- Digital Media / Information Technology

BUILDING DESCRIPTION

- 1-story, typically
- May include office space, may require clear heights
- May require storage/staging space in building and/or yard, On-site loading areas; loading docks/doors
- Surface parking
- Older, industrial bldgs. typically larger, older bldgs. divided up for smaller uses



Large industrial buildings subdivided for multiple uses

Green Economy and Clean Technology

The Green Economy and Clean Technology market sector of the economy includes businesses that produce goods and services with an environmental benefit. The green/clean economy is a broad group that includes segments of many different industries. It includes segments of mature industries (manufacturing, construction, professional services, public transit, and waste management), and newly-emerging clean technology industries, many in the energy field (solar photovoltaic, wind, fuel cells, biofuels, smart grid, and battery technologies).

Of relevance to West Oakland are the business activities in these industries that occupy building types that are or could be provided in West Oakland: older industrial buildings, incubators, light industrial/flex space, R&D / lab space, and single tenant facilities possibly offering a campus environment (see **Figure 3.1.3**). This sector also includes a large share of business activities that occupy downtown office space that are not included as likely candidates for West Oakland. The sector includes waste management and recycling uses that will be strictly controlled in parts of West Oakland in the future. There are green businesses located in West Oakland today.

Information Sector: Digital Media and Information Technology

This sector includes businesses involved in a range of information technology activities related to the internet, the web, data management and software, including those involved with internet services, web design, social media, cloud computing, and digital publishing. It also includes creative business activities involved in sound recording, animation, video/film making, visual effects, and broadcasting.

Businesses in this group are attracted to urban locations, often to an interesting, urban industrial environment. Older industrial buildings, incubators, and studios are of interest to businesses in this group, particularly start-ups and smaller businesses (see **Figure**

3.1.4. There are some small businesses of these types already located in West Oakland.

Life Sciences/Biotechnology

Businesses and industries within the Life Sciences and Biotechnology sector are typically involved in conducting research and development activities, manufacturing products, and providing office and administrative support to these primary functions. Specific industry types that fall within this sector include pharmaceuticals, medical devices and equipment, diagnostics products, and scientific research and development. Very few businesses in this sector are currently located in West Oakland. The sector has been included because of:

- West Oakland's proximity to life science and biotechnology activities in surrounding communities,
- its ability to offer lower-cost, lower-density space for start-ups and small companies, and
- the availability of larger sites for new development in the future (see **Figures 3.3.5 and 3.1.6**).

Fig. 3.1.3: Incubator / Shared Facilities



Prototypical building layout

INDUSTRY MARKETING SECTORS

- Life Sciences / Biotechnology
- Clean Economy & Clean Technology
- Small, Urban Manufacturing
- Digital Media / Information Technology

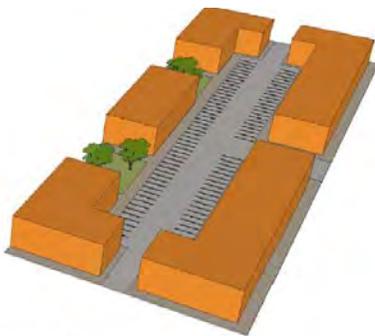
BUILDING DESCRIPTION

- Shared facilities; small spaces Shared equipment often
- Can include studios, offices, production space, labs
- Collaborative environment
- May include assistance in business management & connection to venture capital
- Can include co-working space, with spaces/desks/short-term offices
- Reuse of existing buildings, typically



Reuse of existing buildings, typically warehouse or industrial facilities

Fig. 3.1.4: R&D / Flex Space



Prototypical building layout

INDUSTRY MARKETING SECTORS

- Life Sciences / Biotechnology
- Clean Economy & Clean Technology
- Digital Media / Information Technology

BUILDING DESCRIPTION

- 1-3 stories
- Space adaptable for R&D, office, and manufacturing functions
- Labs can require special power, cooling, and/or flooring as well as back-up generators
- Some amenities, typically
- Surface parking, in most cases
- New construction, primarily
- Reuse of existing buildings



New construction and reuse of existing buildings

Fig. 3.1.5: Individual Building / Campus



INDUSTRY MARKETING SECTORS

- Life Sciences / Biotechnology
- Clean Economy & Clean Technology
- Small, Urban Manufacturing
- Digital Media / Information Technology

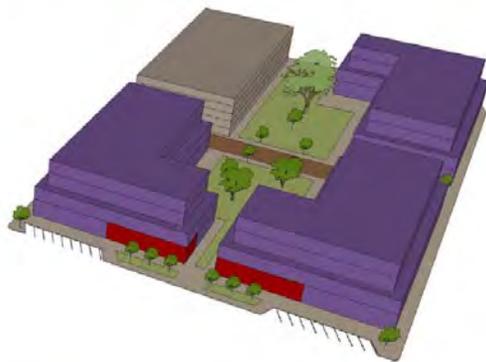
BUILDING DESCRIPTION

- Buildings that offer own identity
- Can include office, manufacturing, and R&D functions
- Often accommodate start-ups that have grown into larger companies
- Lower-rise; 1-3 stories; surface parking
- Mid-rise; 4-5 stories; structured parking
- On-site amenities
- New construction, most likely



New construction and adaptive reuse of existing buildings

Fig. 3.1.6: R&D / Life Sciences, Mid-Rise



INDUSTRY MARKETING SECTORS

- Life Sciences / Biotechnology
- Clean Economy & Clean Technology

BUILDING DESCRIPTION

- Buildings with life science improvements (wet labs, offices, and possibly specialized mfg. facilities)
- Most with back-up generators and ownership familiar with the industry
- May require special power, cooling, and/or flooring
- 4 or more stories
- Structured parking, On-site amenities
- New construction



Offices, labs, and specialized manufacturing in new construction

Shares of the Economy and Growth Potential

Among these identified market sectors, the more established sectors - urban manufacturing, and construction and related design and engineering – currently support the largest amounts of business activity and employment in the central Bay Area and in West Oakland. The newer sectors – those focused on technology industries and the “green”/clean economy – currently support smaller amounts of business activity and employment, and represent a relatively small share of today’s economy both in the central Bay Area and locally. The life science/ biotechnology sector is barely present in West Oakland, short of a few notable laboratories conducting R&D in the 3rd Street corridor. Within the region and the central parts of the Bay Area, there is forecasted growth potential in all five market sectors

Urban Manufacturing, including Custom, Artisan, Additive, and Advanced Manufacturing

Notable growth is forecast for the diverse mix of Urban Manufacturing industries in the central Bay Area. The strongest growth will be in manufacturing offering specialized, artisan, and custom products and in manufacturing supporting the growing technology sectors. Despite past declines in large-scale manufacturing, this sector still plays an important role in the economy, particularly in the East Bay. West Oakland can capture growth in manufacturing industries with space in existing buildings and in new, light industrial/flex development at competitive rents/prices. Investments to modernize existing facilities and improve basic infrastructure would help in attracting growth of manufacturing businesses.

In addition to growth, there will be increasing demand for affordable locations to accommodate existing manufacturing companies seeking to relocate to larger, more affordable, or more modern facilities. The industrial land supply is declining and under increasing pressures in the central Bay Area. The industrial arts activities that have been

growing in West Oakland are examples of activities that have relocated from other parts of the Bay Area, because of the facilities and rents for space available in West Oakland.

Construction and Related Design and Engineering

Construction and Related Design and Engineering activities are projected to grow. The sector is anticipated to grow rapidly as it rebounds from the recession, and then, to maintain a more modest growth rate thereafter. Growth will be supported by construction of residential, non-residential, institutional, and infrastructure projects. Substantial remodeling and rebuilding activities will continue over time to improve and modernize the increasingly valuable older building stock in the central Bay Area. Proximity to building projects and to clients is important for businesses in this sector. Construction and related sectors have been strong in West Oakland.

In the future, there is potential for growth of smaller companies, particularly specialty trades and building/remodeling contractors as well as design and engineering firms. (The larger construction companies needing large yards and having heavy vehicle movements will locate elsewhere.) There also is potential for a larger cluster of related businesses in West Oakland, including: construction, design, and engineering; manufacturing of custom products for construction and remodeling (see above); green building and related companies (see below); and building materials sales (e.g. granite and marble, green building products, etc. already in West Oakland). In addition to growth, there will be demand from existing construction and related companies seeking affordable, centrally located facilities/land, often to meet their changing business needs.

Green Economy and Clean Technology

Though relatively modest-sized today, Green Economy and Clean Technology industries have the potential for significant business and job growth in the Bay Area and in the East Bay. Projections show potentially high rates of growth for this sector in the future. The

emerging clean technology and energy industries, in particular, have strong growth potential, somewhat dependent on scientific discoveries as well as the extent of government spending on research and business development. The Inner East Bay has already established itself as a location of leading research efforts in energy, climate control, and other clean technologies, led by efforts at the University of California, Berkeley and the Lawrence Berkeley National Lab (LBNL). There also are public policies supporting growth of the green/clean economy such as green building standards, increased recycling mandates, greenhouse gas and climate action plans, cap and trade, and others.

Within this diverse sector, there will be growth of activities that seek the land use and building types that are or could be provided in West Oakland: older industrial buildings incubators, R&D/lab space, light industrial/flex space, and single tenant facilities, possibly offering a campus environment. In the nearer term, demand for West Oakland locations is likely to come from start-ups and smaller companies seeking lower-cost space options in an industrial environment. Examples include growth in green manufacturing and green construction (also part of sectors described above), and the attraction of smaller companies and start-ups in energy and technology. Recycling could support growth of facilities for electronics or other specialized recycling or satellite recycling, both in facilities that occur in buildings. In the longer term, there could be potentials for attracting more companies involved in R&D activities and possibly even a research facility that involves lab and/or test product design and development.

Information Sector: Digital Media and Information Technology

Growth is also forecast for the Information Sector, including digital media and information technology, focusing on the technology, internet-related, software, and video/sound groups. These groups include start-ups and other smaller businesses that could be attracted to an interesting, older industrial area like West Oakland. The existing presence of

recording, audio-visual, and multi-media companies contributes to providing more creative working environments for technology companies. The 3rd Street corridor and parts of the Mandela/West Grand Opportunity Area could prove to be future nodes for such activities, in combination with creative industrial arts.

Life Sciences and Biotechnology

The Life Sciences and Biotechnology sector has substantial growth potential in the central Bay Area. Since the recession began, there have been mergers and consolidations that have limited growth in the near term. Potentials are good for growth of Bay Area life sciences over the longer term, driven by research and the discovery of new drugs and technologies. This sector is very competitive, however, with a large pipeline of entitled projects, and already-established clusters of the life sciences with marketing partnerships of city, university, and developer representatives. It could be difficult to establish life sciences/biotechnology in West Oakland, particularly in the nearer term. It may be easier to first attract start-ups and smaller companies seeking lower-cost, lower-density space options in proximity to similar activities in Emeryville. Start-ups grow over time and help attract other companies to the area. There also could be opportunities for attracting businesses in this sector primarily involved in manufacturing, as well as opportunities to attract activities related to the hospitals/medical centers in Oakland, particularly Children's Hospital Oakland Research Institute (CHORI). A longer term strategy could be built on West Oakland's proximity to job growth areas in nearby cities, with the intent of becoming positioned to capture demand once these nearby areas are more fully developed.

Summary

Overall, West Oakland can be an attractive location for smaller businesses in all of these sectors, particularly by providing competitively priced land and building space and by offering an excellent location with proximity to Oakland's Downtown and attractive amenities. Easy access to San Francisco, Emeryville,

Berkeley, and points north are also attractive to businesses operating on a more regional basis. West Oakland also has strong potential to capture manufacturing and construction businesses currently located elsewhere but looking to relocate in the future.

EMPLOYMENT OPPORTUNITIES

Each targeted market sector can provide good jobs for workers with a range of skills and educational attainment. The occupational profiles for jobs in these market sectors show that the large majority are good-paying jobs with training and advancement opportunities.

Employment Opportunities in the Urban Manufacturing and Construction Sectors

The majority of jobs in the urban manufacturing and construction sectors are in the production and construction occupations. These are good-paying, middle-wage jobs for workers with less than a college education. Many offer on-the-job training and advancement opportunities. Jobs in these occupations are often referred to as blue collar jobs.

Employment Opportunities in the Green Economy and Clean Technology Sector

The green economy and clean technology sector includes a diversified mix of industries that offer a range of job types. Overall, the majority of jobs in this sector are in middle-wage occupations, often defined as green collar and blue collar occupations. They offer good-paying jobs, do not require higher education, and can provide training and advancement opportunities for workers.

The newer, clean technology segments of this sector have occupation profiles more similar to the life science and information sectors described below, with a large share of jobs in the higher-wage, higher-education occupations.

Employment Opportunities in the Life Sciences and Information Sectors

The life sciences and information sectors have a large share of jobs in the professional,

technical, and scientific occupations. These are higher-wage occupations and many require college educations. These business sectors also support jobs that provide on-the-job training for employees without higher education, and they include jobs in good-paying, middle-wage occupations as well. Entry level jobs exist in support of business in these sectors, some which offer career ladder pathways with attainment of specific technical credentials.

Comparisons with East Bay Economy Overall

The following highlights two key differences between the distribution of jobs in the market sectors assessed for West Oakland and the distribution of total employment in the East Bay:

- There are proportionally more middle-wage jobs in the urban manufacturing, construction, and green economy sectors (67% to 89%) than in the overall economy, (27%). Many of the jobs in this group are green collar and blue collar jobs.
- There are proportionally more higher-wage/higher-education jobs in the life science, information, and the clean technology segment of the total green economy than in the economy overall (60% to 70%, compared to 36% higher wage jobs in the overall economy).

POTENTIAL JOB GROWTH

Significant growth potential exists for employment in West Oakland. The types of industries targeted in this chapter not only offer great potential for economic development and job generation, but mirror the City's existing economic development efforts. The Department of Economic Development works to expand Oakland's key sectors [Healthcare, Trade and Logistics, Manufacturing Clean/Green Tech, and the Creative Industries (digital media, tech and art)]; and provides a Business Tax and Sales Tax Incentives Program other services in its mission to support existing business and attract new ones to West Oakland and throughout the city.

In addition to the attraction of new types of industries that could be a good fit for economic development and job growth, achieving the high job growth anticipated in the Association of Bay Area Government (ABAG) projections (see below) will also require growth of business activity in traditional types of industries that remain strong in West Oakland.

Association of Bay Area Governments (ABAG) Projections

The ABAG projections indicate an expectation of significant new job growth in West Oakland, with a total of more than 15,300 new jobs projected to be added between 2005 and 2035. This represents an average projected growth rate of nearly 440 new jobs per year. This rate of growth would result in more than a doubling of

the number of current jobs within the West Oakland Opportunity Areas.

Currently, jobs within West Oakland’s Opportunity Areas are split between approximately 390 jobs (only about 4%) in the heavy industrial sectors; approximately 8,700 jobs (almost 90%) in the light industrial sectors which include manufacturing, construction, and some information technology and the arts; and approximately 680 jobs (about 6%) in the retail sector.

The ABAG projections (see **Table 3.1.2**) reflect a major shift in regional employment growth, directing new growth to more urban, developed areas rather than to suburban business parks and outlying industrial areas. The projected job growth also implies more densely scaled development than has occurred in West Oakland in the past.

Table 3.1.2: West Oakland Job Growth Projections, ABAG

ABAG Projections¹	2000	2005	2020	2035
Planning Area/Opportunity Areas	11,354	11,821	17,321	26,679
Planning Area TAZs	<u>12,096</u>	<u>12,638</u>	<u>18,428</u>	<u>28,101</u>
TOTAL West Oakland	11,692	12,140	17,695	27,177

Source: Alameda County Transportation Commission (ACTC); Hausrath Economics Group 2012; Lamphier-Gregory 2012.

¹ The ABAG projections for Oakland were allocated to West Oakland by the ACTC with input from the City of Oakland, based upon traffic analysis zones (TAZs). Projections for the Planning Area/ Opportunity Areas are less than for the Planning Area TAZs because three of the TAZs that cover the Planning Area also extend outside the area. The approximate location of employment activities within these three TAZs was used to develop an “ABAG projection” for the Planning Area.

REVITALIZATION STRATEGIES FOR ECONOMIC/BUSINESS DEVELOPMENT & JOB GROWTH

Intent: Remove existing constraints to business growth and development and encourage the market to respond. Retain and build on the strengths of existing business activities while competitively positioning the area for new uses.

The revitalization of West Oakland will be a long-term, evolutionary process. The overall strategy should be to improve West Oakland Opportunity Areas, remove constraints to development and business growth, and encourage the market to respond. Most likely, the process will go slowly, will need nurturing, and will build up over time.

Initially, economic development should support, retain, and build on the strengths of business activities already in West Oakland. There are both traditional and new types of businesses that have emerged in West Oakland over the past decade, many of which are part of the market sectors identified above. These include businesses of the following types:

- urban manufacturing (foods, beverages, apparel, printing, furniture/woodwork, metals/plastics, etc.);
- construction, building materials, and related activities;
- creative businesses (industrial arts, arts studios, film/sound/photo, digital arts and media, etc.); and
- architecture/ engineering/ professional services and related businesses.

The future strategy should include land uses, building types, and infrastructure improvements that support existing businesses and encourage new ones to locate in West Oakland. Existing businesses are assets for attracting new businesses, particularly initially.

Early efforts should focus on improving infrastructure in the older industrial areas, addressing crime and safety concerns, and

identifying mechanisms for addressing the clean-up of brownfield sites. These improvements will help to competitively position West Oakland as an attractive location for new uses in the future.

The majority of business and job growth in the nearer-term is expected to be from start-ups and from existing businesses that grow and change over time. While the relocation of a large, existing company or institution to a new site in West Oakland would be a substantial economic benefit and would help to achieve the overall vision of the Plan, it is not the most likely scenario in the near term, particularly in light of the demise of redevelopment and the funding it provided for area improvements. Large sites in the Mandela/Grand Opportunity Area might be the only exception to this forecast, but even that scenario would require great focus by the City and a committed and pioneering developer. Thus, early efforts should be focused on new start-ups and smaller businesses already in Oakland and nearby cities.

Components of an overall strategy for encouraging both economic and real estate development in the older industrial areas of West Oakland, intended to capture the market potential for business and job growth, are described below.

Maintain and Expand the Supply of Affordable Industrial Space

The availability of lower-cost space/land is important for capturing market potentials for growth in all of the sectors analyzed. The Plan encourages the preservation of affordable space in existing buildings and the construction of new, lower-rise, light industrial/flex development in infill locations in proximity to existing buildings. Reuse and small-scale infill can “set the stage” for development of larger Opportunity Sites.

Revitalize-1: Encourage Reuse of Existing Buildings, Particularly Initially. Focus initial economic development activities on intensification of business activities in existing industrial buildings. The existing building stock provides a resource for attracting new businesses, particularly initially, and should be retained and reused for new business uses as much as possible.

- Subdivide larger buildings for use by multiple, smaller tenants.
- Modernize and/or adaptively reuse older industrial buildings.
- Reuse older, larger industrial buildings to provide economically viable space for the expansion of the arts community.
- Reuse older industrial buildings so as to provide an urban industrial environment that is attractive to businesses, particularly start-ups and smaller businesses, as well as new uses for the area.

Revitalize-2: *Encourage Lower Intensity New Development.* Encourage lower-density new development of light industrial/flex and studio space in infill locations. Such development is likely to be in low scale buildings with surface parking.

- Encourage less costly, lower intensity development, which can provide more affordable location options for businesses. This strategy will be important in the nearer term.
- Focus lower-intensity development in specific parts or subareas of opportunity areas so as to encourage owners to undertake such development and to help to preserve more affordable space options over time.

Competitive Positioning for New Uses and Higher Intensity Development

Early phase efforts to retain and build on the strengths of existing business activities in West Oakland and to attract start-ups and smaller businesses in both traditional and new market sectors will contribute to strengthening the area's desirability for other business activities. The area's entrepreneurial and artistic atmosphere enhances the area's desirability for technology businesses, as does retention of the area's urban industrial character. Continuing improvements to infrastructure and other conditions in the area will remove constraints to development and job growth. The relocation of heavier industrial uses over time will provide opportunities for larger scale, higher intensity development in the future.

Revitalize-3: Undertake Improvements to Remove Constraints to Business Growth and New Development. Improvements in the area as identified in other chapters of the Plan will remove obstacles and enhance the desirability of the area for business growth and new development (see also Chapter 6: Public Infrastructure and Chapter 7: Obstacles to Community & Economic Development).

- Improve basic infrastructure in the older industrial areas.
- Address issues of crime, graffiti, illegal dumping, and blight.
- Identify strategies for addressing contaminated brownfield sites.

Revitalize-4: Identify Location Options for Heavier Industrial Uses. While large parts of the Mandela/Grand Opportunity Area were once in heavy industrial and transportation use, the relocation of the I-880 freeway further to the west has affected land use potentials in the area. The relocation of the freeway has created a potential new boundary between the locations for heavier industrial and truck-intensive uses (now recommended to the west of the freeway and in other parts of Oakland), and locations for a mix of lighter industrial and other business uses along with residential neighborhoods within West Oakland. The landscaped Mandela Parkway along the former Cypress Freeway route contributes to the positive changes occurring in the West Oakland area.

- There is a need to identify location options for heavier industrial and truck-intensive businesses. Such businesses contribute to the economy, provide jobs, and support nearby Port operations. Their relocation could retain business activities and jobs within Oakland, while providing sites for new development and business activities within West Oakland.
- The land use policies of the Plan (see Chapter 4: Land Use) identify heavier industrial and truck-intensive activities as permitted uses in the 3rd Street Opportunity Area because of its proximity

to the freeway, the Port, and designated city truck routes.

Capitalize on West Oakland Sites that Become Vacant by the Relocation of Heavier Industrial Uses

Two existing recycling operations now located in West Oakland have given strong indications of their intentions to relocate to new sites within the former Oakland Army Base. Their relocation would provide sites for new development and new uses within West Oakland, and would also improve the desirability of adjacent West Oakland locations.

Revitalize-5: Capitalize on West Oakland sites that become vacant by the relocation of heavier industries to other areas outside of West Oakland (see strategies in Chapter 4: Land Use).

- Work with property owners to guide new development of vacated sites towards compatible uses which add value, lessen environmental impacts and increase local jobs.
- Designate key sites with strong locational advantages and large site areas where higher intensity development can be targeted in either the near-, mid-, or long-term. Support Economic Development By: Refining Land Use Policies, Zoning, and Area Improvement Strategies, following a Subarea Approach

The City's land use policies and regulations "set the rules" for development, and provide direction and definition to the private sector. They have the potential to shape future growth in West Oakland, and are important in the support for and expansion of the different market sectors. Land use policy refinement following a subarea approach is an important component of the overall economic development strategy for the Specific Plan. In addition, improvement strategies (infrastructure, streetscape, and possibly transportation) should be specific to subareas and consistent with the types of uses and development desired in each area.

Revitalize-6: Discourage Land Speculation through a Clear Delineation of Industrial Land Use

Designations, Policies, and Regulations. Except in the few instances identified in this Plan, retain the Business Mix/Light Industrial land use designations and the industrial zoning in West Oakland and continue to prohibit residential development of commercial/industrial sites.

- Market pressures continue to exist for residential development in industrial areas. Maintaining the commercial/industrial zoning will support the ability of those areas to continue to offer economic opportunities for business and job growth in West Oakland.

Revitalize-7: Refine Commercial/Industrial Land Use Policies and Zoning to Encourage a Subarea Approach. The various targeted market sectors differ in densities of development and the rents and land prices they support. Thus revitalization and economic development can be facilitated by encouraging different sectors/segments in different subareas of the opportunity areas. See Chapter 4 for discussion of land use and zoning that create subareas that facilitate the following:

- Retention and increased utilization of existing buildings.
- Low intensity new development of light industrial/flex space for a variety of business types.
- Higher intensity new development that includes clustered developments and a higher amenity environment.

Revitalize-8: While Allowing Some Flexibility, Provide More Definitive Rules for Allowable Uses, Existing Building Retention, and New Development in Commercial/Industrial Land Use Policies and Zoning. Within the subarea approach identified above, existing land use policies and zoning should be refined to be more definitive and provide greater direction and specificity to the private sector, with the objective of facilitating the desired types of economic development in West Oakland. The amount of flexibility allowed under the current regulations can encourage unrealistic property owner expectations, and can mean that less change occurs, that it occurs more

slowly, and that there is a narrower range of location options for the different types of businesses desired in West Oakland. (See Chapter 4: Land Use).

Revitalize-9: Coordinate Area Improvements with Subarea Strategies for Economic Development. The subarea approach described above is intended to encourage a mix of location options (different types of space, different densities, different rents and land values) for supporting and attracting different types of businesses and job growth in the target market sectors.

- Improvements in the subareas should also be consistent with the types of uses and development desired there, including infrastructure, streetscape, and possibly, transportation improvements.
- In general, the areas for higher intensity new development would benefit from a more improved, higher amenity environment.
- The areas for lower-intensity uses and lower-cost space and development can include a more basic level of improvements that support light industrial business activities and retention of the urban industrial character of the area.

INDIVIDUAL MARKET SECTOR STRATEGIES

Intent: Build unique market strategies for attracting businesses in each of the market sectors that provides business and employment opportunities for West Oakland.

Economic development opportunities and strategies are outlined below, identifying how to capture potentials in each targeted market sector. The intent is to build on existing business activities already in the area and to encourage and attract the growth of new industries over time:

- Urban Manufacturing
- Construction and Related Design and Engineering

- Green Economy and Clean Technology
- Information and Digital Media
- Life Sciences/Biotechnology

The specifics of how to implement many of these market sector strategies are described in the earlier parts of this chapter and in other chapters of the Specific Plan, particularly Chapter 4: Land Use Plan, Chapter 7: Obstacles to Community & Economic Development, and Chapter 11: Implementation Program.

Urban Manufacturing Strategies

West Oakland is a desirable location for smaller Urban Manufacturing businesses given its central location and proximity to markets as well as its industrial building stock. There is already a strong presence of smaller manufacturing and industrial arts businesses that can be built upon and expanded. Industrial space and the availability of industrially designated land is a declining resource within the central Bay Area, while business demand for such land and space continues to grow. This disparity between business demand and available space supply will increase business interest in West Oakland over time.

Urban Mfg-1: Provide space and/or land at competitive rents and prices in West Oakland to enhance its attractiveness as a location for these business types.

Urban Mfg-2 Invest in West Oakland’s older industrial areas to modernize facilities and to improve infrastructure (see Chapter 6: Public Infrastructure).

Urban Mfg.-3: Encourage light industrial/flex development and the reuse of existing buildings in City land use policies (see Business Enhancement strategies in Chapter 4: Land Use).

Urban Mfg.-4: Promote and brand manufacturing business activities that produce a wide range of products “Made in West Oakland”, including specialized and custom products, artisanal production and industrial arts, and technology and related products. The recent “Oakland Makers” initiative is an example, focused on the arts.

Construction and Related Design and Engineering

The Construction and related Design and Engineering sector already has a notable presence in West Oakland which can be built upon as this sector recovers from the recession. Economic development strategies should focus on smaller companies, particularly specialty trades, contractors, and building and remodeling contractors, as well as design and engineering firms.

Const-1: Provide Construction sector businesses with competitive, affordable space within existing buildings, as well as new, light industrial/flex building space (see New Business/Industrial strategies in Chapter 4: Land Use).

Const-2: Consider establishing a large “cluster” of construction and related business activities in West Oakland that could include green building and related companies; engineering, architecture, and design services; building materials sales; and manufacturing of custom and other building products for construction that are or could be provided in West Oakland. Locations in proximity could provide benefits for related businesses. They also could provide broader identity and branding for the overall group of construction-related businesses in the area, of benefit for marketing and attracting clients and customers.

Green Economy and Clean Technology

While the Green Economy and Clean Technology sector exhibits strong growth potential, there is also a very competitive market context in the East Bay, particularly for clean technology. Within this diverse sector, there will be growth of activities that seek land use and building types that are or could be provided in West Oakland. Demand is likely to come from green businesses in manufacturing, construction and related activities, and start-ups and smaller technology companies seeking lower-cost space in an industrial environment for research, development, and smaller scale test product design.

Green/Tech-1: In the near-term, seek to attract start-up businesses and smaller companies seeking lower-cost space options as can be provided in existing buildings, in new light industrial/flex space, and in incubator facilities. (See the strategies above for green businesses in the manufacturing and construction sectors.)

Green/Tech-2: Consider establishing and branding a cluster of “green” businesses in West Oakland as their numbers increase (see above).

Green /Tech-3: To promote this business sector, establish relationships with University of California Berkeley, Lawrence Berkeley National Laboratory, and other related energy research institutions, and seek to attract their new research facilities to specific sites in West Oakland, such as research facilities focused on energy or the life sciences. This strategy should be coordinated with planning for a similar science and technology district in the Coliseum Specific Plan area, which could also offer large sites for new development and seek to attract research institutions. There would still be opportunities for smaller scale development in West Oakland, in closer proximity to other related activities in nearby cities, and for business functions involved in manufacturing, test product design/development, and some research and development.

Information and Digital Media

Businesses in the Information and Digital Media market sector tend to be attracted to areas with an image of being “edgy”, urban and industrial in character, particularly smaller businesses in this sector. The image and excitement that spurred the major growth and expansion of this sector in the South of Market area in San Francisco is present in West Oakland, as are some of the locational advantages of being immediately adjacent to already established areas in downtown Oakland and nearby cities.

Info/Digital-1: Undertake economic development strategies that focus initially on smaller information and digital media businesses and start-ups, especially those

seeking space in renovated, existing buildings and who desire proximity to each other to create a “cluster” of similar uses.

Info/Digital-2: Market and promote existing underutilized buildings as viable and efficient space for incubator and co-working space options, including studios and small offices. Encourage the development of incubators for the information and digital media industry group with proximity to artisans and craftspeople, and where small start-up businesses can share facilities and equipment.

Info/Digital-3: Hold events and promote West Oakland as an interesting and “edgy” urban location for start-ups and other small companies, particularly those involved in digital media, software, and creative endeavors in recording, video/film, and multi-media productions. Coordinate citywide strategies to differentiate the attractions for this sector in West Oakland from those in Downtown Oakland where segments of the sector are also located.

Info/Digital-3: Spearhead efforts to expand delivery and services of contemporary information infrastructure technology needed to support the information and digital media market sector. Also, safety and security in the area should be reinforced in ways that acknowledge the risk of high value equipment storage.

Life Sciences and Biotechnology

The Life Sciences and Biotechnology sector has a very competitive local and regional market context. It could be difficult to attract businesses from this sector to West Oakland, particularly in the nearer term. Possible strategies to position West Oakland to capture growth in this sector include the following:

Bio Sci-1: Attract start-ups and smaller companies in the life sciences that are seeking lower-cost, lower density space in proximity to similar activities in nearby cities. Start-ups grow over time and help attract other companies to the area.

Bio Sci-2: Attract segments of the sector involved in manufacturing, such as medical device or

medical research tools and supplies that could benefit from proximity to larger biotech companies and facilities nearby cities. Seek to attract activities associated with nearby medical centers, in particular Children’s Hospital Oakland Research Institute (CHORI).

Bio Sci-3: Position West Oakland to attract a share of the Life Sciences and Biotechnology sector demand once the existing and already-established job clusters of this sector in nearby cities are more fully developed. Pursue the possibility of partnerships with key development players in Berkeley/Emeryville (U.C. Berkeley, LBNL, developers) to encourage interest in extending development south into West Oakland. In addition to smaller companies, start-ups, and primarily manufacturing companies, attempt to attract larger companies and/or research institutions for campus development on the larger opportunity sites. Improvements over time to the infrastructure, safety, and amenities in the area are important for attracting these types of uses in the future.

Bio Sci-4: Coordinate citywide strategies for the attraction of this sector. As currently being planned, larger campus development including major research institutions are targeted for development in a new science and technology district and business park in the Coliseum/Airport Area. If developed, the strategy for West Oakland should be to use its proximity to already-established job clusters of the Life Sciences and Biotechnology sector in nearby cities and to Oakland medical centers/CHORI for attracting smaller companies, start-ups, manufacturing companies, and other business activities in this sector that value such proximity.

3.2: More Retail Opportunities

Potential retail sales not captured in a market area are described as “retail leakage.” Currently, West Oakland loses approximately \$470 million a year in retail sales that could potentially be supported by existing residents and employees, enough to support approximately 360,000 square feet of retail space.

With increased housing and employment growth as projected in this Plan, West Oakland consumers could support an additional 302,000 square feet of retail establishments, but new strategies for attracting and developing these increased retail opportunities are needed.

ASSESSING THE RETAIL MARKET

Preparation of the West Oakland Specific Plan included an analysis of the Planning Area’s retail performance to determine the composition of the existing retail sector and the potential for future expansion.

Existing Retail in West Oakland

There are very few retail establishments currently serving the West Oakland community. Apart from the BayBridge shopping center that most residents and shoppers identify as being in Emeryville (but is to a larger part in Oakland), the very few specialty retailers that do exist include a bait store, two bike shops, a beauty supply store, a home furnishings store and a cell phone store. In addition to these, the only other major retail establishments include a hardware store, a 99 Cent Store, two apparel retailers (Rainbow and Cititrends), two fast food chains (McDonalds and KFC), and four independently owned restaurants (Brown Sugar Kitchen, B-Side Barbeque, Fuse-Box, and Nellie’s Soul Food).

Retailers who primarily serve the larger region include retail stores located near the Emeryville city limit line (i.e., Target), other stores in the BayBridge Shopping Center and other adjacent retail locations.

Planning Area Retail Demand

West Oakland is severely underserved by retail uses that supply the basic consumer needs of its residents. The degree to which retail needs are left unmet by local shops is greater than for the city as a whole.

Great neighborhoods include local shopping districts that provide opportunities for people to take part in the social life of the community as they satisfy their everyday shopping needs. Oakland’s Laurel and Dimond Districts, Fruitvale District, Lakeshore, and College Avenue and Piedmont Avenues in North Oakland, are examples of lively neighborhood centers.

While West Oakland neighborhoods such as Oak Center, Prescott, Clawson, and Hoover include many exceptional, beautiful residential streets, there are few, if any local, walkable neighborhood commercial streets that give focus and identity to the community. From the 1930’s to the 1970’s, West Oakland’s neighborhood commercial districts, focused primarily along 7th and Market Streets, were removed to create space to serve regional needs for war-time housing, freeways, BART, and the United States Post Office. One objective of this Specific Plan is to re-establish West Oakland’s traditional neighborhood districts with active ground-floor retail including grocers, locally serving convenience retail, and even destination retail that will once again give a focus to the community.

When a community loses its neighborhood-serving retail it loses far more than the sales tax revenue and the residents’ convenience of being able purchase goods locally. It also loses a source of accessible local jobs and the opportunity for community members and retail employees to contribute to its street life, and make the neighborhoods more lively, safe, and attractive. The community also loses the sense of identity that comes when people take care of their everyday shopping needs together in their own

community, thus contributing to the vitality of their neighborhood. Finally, when goods are purchased, part of the sales price goes to physical improvements of the stores and facilities and even community streetscape. At the moment, West Oakland captures very little of this potential source of neighborhood reinvestment, resulting in neighborhoods that lack the typical level of amenities enjoyed by other communities.

West Oakland Residents' Retail Demand

Retail demand is generally a function of a trade area's size and income, tastes, and preferences, as well as the availability of a suitable supply of retail choices to serve that demand. An analysis was performed using 2010 retail sales data (the most current available at the time of the assessment) to estimate potential demand from West Oakland consumers. The findings revealed significant retail leakage.

Convenience Goods:

Annual retail leakage in convenience goods (groceries, pharmacies, etc.) is enough to adequately support an additional nearly 43,000 square feet of retail space.

- Supermarket and food stores sales in West Oakland are \$19.3 million less than the estimated expenditure potential. In this category alone, existing residents have enough spending power that is not satisfied by existing retailers to support a new grocery store.
- The absence of any drug stores in West Oakland results in a 100% leakage of the sales potential in that category, and represents a hardship to area residents.
- In contrast, liquor store sales are actually \$7.5 million more than the projected demand for liquor stores. In most situations one would assume that the reported sales in excess of projected market area demand were captured from other market areas. However, these surplus liquor store sales reflect that most food sales in West Oakland occur in liquor and corner stores. Liquor stores are over-represented in West Oakland compared to expected sales volume.

Comparison Goods

For comparison goods, 2010 retail sales represent less than 17% of the estimated market potential. The leakage is estimated to be about \$70 million (or an 83% leakage rate), higher than the city-wide 66% leakage rate for comparison goods stores throughout Oakland. This \$70 million dollars in lost sales potential is enough to support as much as 217,000 square feet of comparison goods retail space.

Eating & Drinking

Sales in eating and drinking outlets are \$10 million less than the estimated expenditure potential, for a 50% leakage rate. This economic leakage is enough to support approximately 30,000 square feet of restaurant space.

These data indicate that there is significant new retail space that could be supported in West Oakland by simply capturing the area's unmet resident consumer demands.

Employee Demand

In addition to West Oakland residents, there are over 10,500 existing employees who are potential sources of retail spending in West Oakland. Employee spending in West Oakland is affected by the lack of retail supply catering to these consumers, and the nature of current West Oakland jobs. Most current employees do not have jobs with long lunch hours that permit shopping trips and leisurely workday dining that typically is the foundation of employee oriented retail. Therefore the expenditure potential for current West Oakland employees is calculated at a lower level than downtown office workers.

Market analysis assumes that each person employed at a job in West Oakland has the potential to spend approximately \$1,125 per year (about \$4.50 per work day) on workday related meals, entertainment, and other shopping. Therefore, existing West Oakland employees could potentially support an additional \$11.8 million in West Oakland retail sales. This amount of sales potential is enough to support an additional 34,000 square feet of retail space, mostly in the restaurant category.

RETAIL OPPORTUNITIES

The current retail leakage from West Oakland (from both resident and employee demand) can support an additional nearly 360,000 square feet of retail space. Given current conditions, it is unlikely that all of this potential can be captured in the near term.

Grocery Stores and Convenience Retail

According to the Oakland Food Policy Council, while today there is 1 grocery store for every 8,175 people in the affluent Oakland hills, there is only 1 store for every 42,350 people in the poorer Oakland flatlands. That report states that while households in Oakland's food deserts spend an estimated over half a billion dollars a year on fresh food, most is spent outside their neighborhoods.

Source: Transforming the Oakland Food System: A Plan for Action, Oakland Food Policy Council, November 2010

Most existing food markets located in West Oakland are corner grocery stores, from which liquor sales represents a large portion of their total sales. West Oakland has been labeled as a 'food desert': an area with limited access to healthful, affordable food. Thus, local residents often travel out of West Oakland to buy food, which is a further burden on area households, almost 36% of which do not have access to a car.

West Oakland currently does not have a full-sized grocery store. The last full-size grocery store in West Oakland closed in 2007. Prior to that, the number of grocery stores steadily declined in the sixty years between 1940 and 2000. The community was once served by several small independent grocers, but over the years, regional serving transportation projects including the Cypress Freeway and BART displaced both retailers and a portion of their former support base. According to the Oakland Food Policy Council, there were almost 140 stores, or 2 stores per 1,000 residents in 1950. In 2000, there were only 23 food stores, or less than 1 store per 1,000 residents. This index of grocery store supply does not distinguish between the store's sizes, or indicate how many of the food stores were actually corner groceries or liquor stores.

Convenience food markets typically carry mostly canned, processed food, and promote the consumption of 'junk food' (e. g. candy, chips) as well as high profit liquor and cigarettes. A 1998 community food assessment of West Oakland showed that only three of the existing convenience stores offered a selection of fresh fruits and vegetables. Prices at convenience stores were found to range between 30% and 100% higher for the same products than prices found in supermarkets.

Newer Grocery Store Models

In spite of the enormous retail leakage of food and grocery spending, over the past 8 years only two new grocery stores have opened in West Oakland: the Mandela Market on 7th Street near Mandela Parkway and the Pro Produce Market at 23rd Street and San Pablo Avenue. Both provide fresh, healthy non-packaged foods including fruits, vegetables, and meats.

New store models designed to supply healthy grocery staples have been proposed in other cities. For example, a company known as StockBox has emerged as an innovative prototype of a mini-grocery store. The first StockBox opened in Seattle, Washington in the spring of 2012 as a mini-grocery store made out of a reclaimed shipping container located in the parking lot of an existing business. The 20 foot-long prototype is stocked with 300 different products, of which 10% will be fresh produce. The store model is easily scalable and designed for easy relocation. The StockBox retail model can operate as a "pop-up" store. This innovative concept attracted outside funding sources including a state grant for promoting healthy food. Development costs for the StockBox concept are estimated to total a modest \$30,000 to \$50,000. New store models such as StockBox may be an appropriate model for West Oakland, at least in the near term (see **Figure 3.2.1**).

Fig. 3.2.1: Pop Up / Festival Space



BUILDING DESCRIPTION

- Temporary festival or informal vending structure
- May be weekly farmers' market or special event commercial activity.

Prototypical event layout



Creative use of public space to stimulate retail activity

Elsewhere, there are national initiatives to introduce more fresh and healthy foods to corner grocery stores, and to improve the food supply available to residents of neighborhoods like West Oakland that are underserved by retail.

Examples of existing local action in such health food initiatives include the City Slickers Farms (which not only runs the Center Street Farm Stand, but also organizes low-income children, youth and adults in West Oakland to grow, distribute and eat more organic produce), and People's Community Market, a neighborhood grocery store that helps West Oakland families thrive by offering quality fresh foods, affordable groceries, health services and a place for community building and recreation. People's Grocery Store has operated a Mobile Market and the Grub Box, urban gardens and nutrition

education programs in West Oakland. These current local-based initiatives offer excellent examples of how such goods and services can expand within the West Oakland retail market.

Capturing Sales Leakage and Providing Greater Retail Opportunities

As shown in **Table 3.2.1**, the existing West Oakland retail trade area is sufficiently large to support to substantial increase in retail sales and an expansion of retail space and shopping opportunities.

Opportunities for capturing a greater share of the West Oakland retail trade in local shopping sites and centers are discussed below.

Table 3.2.1: Currently Supportable Retail Sales and Space

Sales Category	Residential Expenditure	Employee Expenditure	Total Additional Supportable Retail Space
Population (Customers)	25,250	10,530	
Convenience Goods (grocery, pharmacy, etc.)			
Potential Sales	\$36.4 mil.		
Actual Sales	<u>\$17.1 mil</u>		
Leakage	\$19.3 mil	\$1.6 mil.	46,500 sq ft
Comparison Goods			
Potential Sales	\$83.9 mil		
Actual Sales	<u>\$13.9 mil</u>		
Leakage	\$70 mil.	\$2.4 mil.	225,000 sq ft
Eating and Drinking			
Potential Sales	\$20.6 mil		
Actual Sales	<u>\$10.1 mil.</u>		
Leakage	\$10.5 mil	\$7.9 mil	52,500 sq ft
Other Retail			
Leakage	\$10.5		35,000 sq ft
TOTAL Leakage and Supportable Space	\$110.3 mil	\$11.8 mil	360,000 sq ft

Source: Conley Consulting Group, 2011

Grocery Store Opportunities

Intent: Establish new grocery stores in West Oakland that can serve the un-met food needs of current and future West Oakland consumers. A grocery anchor can also create a customer flow that can be leveraged to successfully attract other retail shops that can then draw patrons from the anchor tenant’s shoppers.

The 2011 economic analysis shown in Table 3.2.1 indicates that convenience store “leakage” of convenience goods sales (mostly in the grocery store category) would support as much as 46,500 square feet of new grocery retail space. That market opportunity could support either one large grocery store, or a series of smaller specialty

stores (see Figure 3.2.2) geographically distributed throughout West Oakland.

Grocery-1: Identify multiple sites for smaller grocery, notwithstanding the fact that traditional grocers are moving towards larger store sizes.

- Grocery stores can form the core of a future, fully functioning town center for West Oakland.
- Because of the large share of West Oakland grocery store sales potential that is currently diverted to liquor stores, corner stores, and mini marts, new grocery stores have potential to capture those sales and actually support more space than indicated by the leakage analysis.

- Since grocery stores act as anchors for other convenience store tenants (e.g. stores that draw customers to smaller stores that can then market other goods to those shoppers), at least one new grocery store should be sited where other convenience service shops, including service retail shops, small specialty retail stores, and restaurants, can be successfully co-located.
- West Oakland consumers are becoming more diverse in terms of income, life style, race, and shopping preferences; and the future population is likely to be more diverse in terms of income as the newer, more expensive units are added to the housing stock. It is unlikely that a single company can meet these diverse shopping needs.

Grocery-2: Identify appropriate sites for a conveniently located, full-scale grocery store.

- In addition to sales to West Oakland residents, a full-sized grocery store can capture sales from nearby employees, especially stores that offer prepared foods to go.

Comparison Goods Retail Opportunities

Intent: Establish successful large-format retail stores in West Oakland. Comparison goods sales can be successful based on either an independent customer draw, the ability to respond to a diverse customer base, or located as an extension of the retail developments on the Oakland/Emeryville border.

Without a viable supply of comparison goods stores, West Oakland residents have had to establish patterns of travel to locations outside of their neighborhoods for general merchandise.

A challenge to expanding comparison goods sales within West Oakland is the area’s relatively small population base. Many comparison goods anchor tenants require a shopper population base of 100,000 to 200,000 people, much larger than the West Oakland population. Smaller comparison goods retail stores may succeed as

part of a larger destination retail center or district) that is primarily anchored by a supermarket, but is unlikely to be successful in a freestanding location elsewhere.

Comparison Goods-1: Specifically target adequate land area to accommodate approximately 225,000 square feet of new retail space, which the economic analysis shows as being supportable by the currently lost “leakage” in comparison goods sales (the apparel, general merchandise, specialty and home improvement categories).

Comparison Goods-2: Identify sites with good regional access near the freeway or on major arterials for large-format comparison goods stores (see **Figure 3.2.3**). Like the stores on the Oakland side of the BayBridge Shopping Center, such stores would not be limited in their retail sales potential to just sales to West Oakland’s small population base.

- A freeway frontage site near the BayBridge Shopping Center could provide large format stores with the potential to serve the San Francisco market as well.
- San Francisco places restrictions on development of new stores with more than seven branch stores. This policy enhances the opportunity for those stores to open outlets in West Oakland to serve customers on both sides of the Bay.

Employee Serving Retail Opportunities

Intent: Capitalize on the economic potential that exists for the establishment of additional small restaurants and consumer services located near employment centers, such as on 7th Street near the Post Office and near the Port of Oakland.

Because of the diffuse distribution of current employment throughout West Oakland and the work-related spending patterns of current employees, development of retail that is solely dependent on employee support is not recommended. Instead, there are opportunities to capture a greater share of employee retail demand:

Based on 2010 data, there is enough currently lost “leakage” in the restaurant category to support as much as 52,000 square feet of new restaurant space, nearly half of which from is employee demand.

Employee-Based Retail-1: Identify sites which have the best market opportunity for successful smaller restaurants. These sites are located near employment centers such as on 7th Street near the Post Office, and near the Port (similar to Nellie’s Soul Food).

- A good restaurant concept can capture expenditure potential from beyond the local market. For example, the popular Brown Sugar Kitchen attracts lunch-time support from employees from Emeryville workplaces, and draws patrons from outside of West Oakland for breakfast and lunch.

Future Customer Retail Strategies

Intent: Expand retail shopping opportunities in West Oakland by capturing the retail sales potential from a larger trade area, including an increased population and employment base in West Oakland.

Future population and employment growth within West Oakland will support additional retail space, over and above the space that can potentially be supported by the unmet retail demand of current West Oakland residents. This new retail opportunity will largely be a function of the new housing and employment created in West Oakland, but should be carefully planned to serve existing consumers’ needs as well.

Given the potential increases in employment and residences expected under this Plan at build out, the trade area for West Oakland is expected to expand by 14,000 new residential consumers and by 5,000 new employees – an appreciably large increase in the retail trade area.

As shown in **Table 3.2.2**, this expanded trade area is capable of supporting a sizeable increase in new retail space.

Table 3.2.2: Additional Supportable Retail Space, Based on Projected Growth

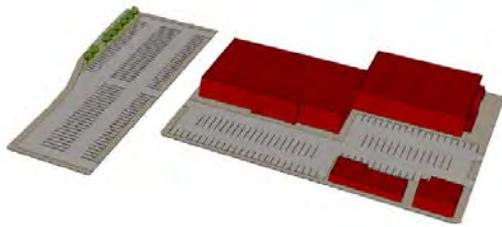
Sales Category	Residential Expenditure	Employee Expenditure	Supportable Retail Space
Number of new Customers	14,000	8,370	
Convenience Goods	\$25.4 mil.	\$3.2 mil.	65,100 sq. ft.
Comparison Goods	\$43.1 mil.	\$2.7 mil.	153,000 sq. ft.
Eating and Drinking	<u>\$18.2 mil.</u>	<u>\$11.4 mil.</u>	<u>84,000 sq. ft.</u>
TOTAL Sales Potential and Additional Supportable Retail Space	\$86.6 mil	\$18 mil	302,000 sq. ft.

Source: Conley Consulting Group, 2011

Future Retail-1: Identify locations and ensure that these sites are appropriately zoned to accommodate a variety of retail space that can capitalize on the spending potential of the projected increases in population and employment envisioned under this Plan. Based on this Plan’s buildout, there will be enough additional spending potential, in addition to current economic leakage in West Oakland, to support:

- as much as 65,000 square feet of additional convenience goods space, mostly in the grocery store category.
- as much as 153,000 square feet of comparison goods retail space, mostly in the apparel, general merchandise, specialty and home improvement categories; and
- as much as 84,000 square feet of new restaurant space, one-third of which will be employee-based.

Fig. 3.2.2: Specialty Retail



BUILDING DESCRIPTION

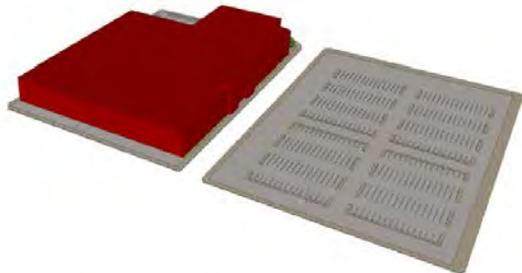
- Middle scale building
- Specialty goods and services
- May be adaptive reuse or new construction.

Prototypical building layout



Adaptive reuse and new construction for smaller retail facilities

Fig. 3.2.3: Large Destination Retail



BUILDING DESCRIPTION

- Buildings should be designed with sensitivity to the surrounding neighborhood and pedestrian scale.
- Destination Retail encourages residents to shop locally and curb retail leakage
- May be adaptive reuse or new construction

Prototypical building layout



Adaptive reuse of existing buildings for destination retail

3.3: Residential Development Potential

Based on the number of units in the various planning stages and projected to come on-line over the next decade, West Oakland could see the largest housing construction boom since the post-War era. However, the housing market dynamics of West Oakland will likely only reach these projections once significant area-wide improvements have been established over time.

ASSESSING THE MARKET

Preparation of this Specific Plan included an examination of the market opportunities for residential real estate development in West Oakland. The analysis assessed the impact of current economic conditions and projected future trends in the housing market; provided an extensive review and evaluation of current demographic characteristics of the central San Francisco Bay Area, Oakland and West Oakland; analyzed the current Oakland housing market focusing on recent housing activity in West Oakland, and provided a projection of both near- and long-term demand for new housing in the context of historical trends.

Existing Housing Inventory

In 2011, the West Oakland Specific Plan Area included approximately 10,500 housing units, of which only 8,500 were occupied, resulting in a vacancy rate of approximately 20%. In comparison, the estimated housing inventory for the City of Oakland as a whole is approximately 160,000 housing units, and the vacancy rate is about 6%, significantly less than in West Oakland.

Multi-family units represent 65% the total West Oakland housing units, and approximately 34% of housing units are single family (both detached and attached).

West Oakland has a population density of approximately 10,000 persons per square mile, compared to 15,000 persons per square mile in the nearby Central District of Downtown Oakland.

There are proportionately more renters as compared to owner households in West Oakland (80% renters), than City-wide (which is 60% renters). The high proportion of renter households is partially attributed to the high concentration of public and multifamily low-income rental units.

Housing Development Trends

Regional Trends

For well over 50 years, the San Francisco Bay Area has been one of the most expensive housing markets in the United States. While in the immediate post World War II era, most new residential development occurred at the suburban edges of the Bay Area, in the past 30 years significant new residential development was developed in the central areas such as in South of Market and Mission Bay in San Francisco as well as in Emeryville in the East Bay. While the rate of growth of new residential development slowed significantly during the deep recession from 2008 through 2011, more recently the housing market has shown a resurgence - making the central San Francisco Bay Area possibly the strongest housing market in the United States for both rental and for-sale housing. In particular, there is enormous demand in the central Bay Area for housing in diverse urban settings with excellent public transportation that is attractive safe and has community amenities.

Citywide Trends

Between 1990 and 1999: During the housing boom of the 1990's, a total of 5,319 building permits were issued, an average of 532 permits per year. Of these permits, 54% (2,897) were for single family and 46% (2,422) were for multifamily housing construction.

Early Decade (2000 to 2003): After the sharp decline of the "dot com" economy, the 9/11 tragedy, and the recession of 2001, a declining housing market was revived by low interest rates

and permissive mortgage lending practices. During this period, 74% of building permits were issued for multi-family units. On average, permits for 798 units were issued per year.

Mid-Decade (2004 to 2006): This period coincided with the expansion period of the national housing bubble. The majority of housing projects built during this period were successfully absorbed, and there was ample financing available to fund both construction and homebuyer mortgages. Oakland's pro-housing policy (e.g. it's '10K Initiative' in downtown Oakland adjacent to West Oakland) encouraged developers and institutional investors to invest in Oakland, directing increased housing construction activity to the downtown and encouraging a ballooning pipeline of proposed new developments. During these years, permits were issued for 4,870 housing units (an average of 1,623 units per year), or almost half of all of the units permitted in the decade. Multi-family units represented 84% of the permits issued.

Late Decade (2007 to 2010): The housing market cooled significantly in early 2007 and essentially collapsed in late summer 2007. Building permit activity dropped dramatically between 2007 and 2009. Only 1,987 residential permits were issued during this period, an average of 662 units per year, likely represent projects that were initiated before the housing bubble burst. Multifamily units were 79% of the total permits. However in 2009, only 255 units were permitted (190 multifamily units and 65 single family units) as of October, demonstrating the rapid and protracted collapse of the housing market in Oakland.

Current: Starting in 2010, the housing market started to return to pre-recession levels. During this period the large inventory of unsold condominium units was finally exhausted. New residential development with thousands of units, including the massive Brooklyn Basin project on the opposite side of downtown Oakland are now moving forward.

Planning Area Trends

More than 1,500 housing units were built in West Oakland since the year 2000. That rate of new housing development is greater than any other

decade, including the War-year boom of the 1940's.

Almost a third of all housing units built in West Oakland were built between 1860 and 1920. Included are stately Victorians that housed the city's most prominent residents such as California Governor George C. Pardee (who lived just at the edge of West Oakland at 12th and Castro Street) as well as "pioneer sheds" housing some of the East Bay's first settlers. This period was followed by the War years, between 1940 and 1949 when Campbell and Peralta Village were originally built, replacing several blocks of Victorian housing, to serve the workers when the East Bay was one of the centers of the World War II ship-building industry. Similarly, between 1960 and 1969, additional blocks of Victorian-era housing were replaced with public housing along 7th Street and Market Street when 1,213 units were constructed. Housing construction then declined drastically in the 1980's and remained fairly low until the 2000s. According to the US Census, only 713 units, or 71 units per year, were added to the West Oakland housing stock between 1990 and 1999, including several public and affordable housing developments funded by the federal Hope IV project.

However, housing development has increased substantially during this past decade. Between 2000 and 2011, there were more housing units constructed in West Oakland than during any similar time period prior to World War II. At least 1,505 new housing units were constructed from 2000 to 2011, and building permits were issued for an additional 1,662 units which have not yet been built. During this period (2000 to 2011), the average housing production rate in West Oakland was 136 new units per year (however, since 2008 housing production has slowed considerably given the constraints on the housing market). At 136 units per year, the housing production rate was higher than during the post-War era and produced the largest number of units than any other decade. It is important to note that between 2000 and 2011, only an estimated 520 market rate units were built in West Oakland, roughly 43% of the total number of units built since 2000.

RECENT HOUSING DEVELOPMENT

In the last decade, several large scale market rate and affordable residential projects have been developed in West Oakland:

- Wood Street Development is a 27.5-acre master planned development, was entitled for 1,523 housing units. This development is located between 10th Street, West Grand Avenue, Wood Street and Frontage Road along Interstate 880. Recent individual projects at this site include for-sale projects such as the Pacific Cannery Lofts (163 units) and Zephyr Gate (130 units) The master plan also includes a 99-unit affordable housing development. As of 2012, all of the available for-sale and rental were sold or rented. Other developers in the Wood Street project have temporarily put their approved projects on hold.
- East Bay Asian Local Development Corporation has developed a senior housing development called Jack London Gateway that provides 61 affordably priced units for seniors.
- A partnership between BRIDGE Housing and the Oakland Housing Authority resulted in redevelopment of Westwood Gardens into what is now Mandela Gateway (168 units).
- Mission Park Financial is moving forward with construction of the Lampworks Lofts project located at 1614 Campbell Street in West Oakland. This project is the conversion of a historic four-story brick warehouse into 92 for-rent live/work units. As part of the rehabilitation, the building will be submitted for certification as a National Landmark with the National Park Service.

Successful, small-scale development in the neighborhoods on the Oakland / Emeryville city limit line has also captured good buyer response to for-sale townhouse/loft projects (four to twelve units). Newer developments in this area tend to be lower density duplexes and single family projects. Projects include the 91-unit West End Commons and the 40-unit loft and townhouse units at the old Clawson School site. Advertisements for units in this area currently emphasize proximity to Emeryville, and residents

take advantage of the nearby Emery-go-Round shuttle to access the MacArthur BART station.

Unlike some of the market rate for-sale products, the affordable rentals in the area have had a much more rapidly paced absorption. Nearly all of these units are completely occupied.

Housing Development Pipeline

Planning approvals are already in place for an additional 1,343 market-rate units throughout West Oakland, and there are as many as 1,875 market-rate units in the pre-approval planning stage.

Affordable Housing

Affordable housing is defined by the State of California as housing which is available for the longest feasible time at prices affordable to low and moderate income households, based on the local Area Median Income.

The affordability levels and income limits for affordable housing in Oakland are described below:¹

- Moderate income households are defined as households earning between 81% and 120% of the Area Median Income (AMI), and the income limit for median income households in 2011 was \$99,700.
- Low income households are defined as households earning between 51% and 80% of the AMI, and the income limit for low income households in 2011 was \$58,500.
- Very Low income households are defined as those households earning up to 50% of the AMI, and the income limit for very-low income households in 2011 was \$41,550.

¹ Area Median Income is determined annually by HUD. Household size and income limits are determined annually by the California Housing and Community Development (HCD). Limits are shown here for a three person household, which is consistent with the average household size in West Oakland of 2.90.

In 2011, the HUD-defined median income for a three person household in the area which includes Oakland (and all of Alameda and Contra Costa Counties) was \$83,050, well above the \$27,055 median household income for the average 2.9-person West Oakland household. The median income household for Oakland residents is \$47,630, which falls within the State's definition of low income households. Only about 14.5% of all households in West Oakland have incomes above the AML. Thus, the vast majority (more than 85%) of current West Oakland residents meet the income requirements for affordable housing.

By the year 2000, there were approximately 1,515 affordable housing units in West Oakland. Over the last decade, nearly 1,000 affordable units were added or rebuilt, including redevelopment of the former Acorn public housing units (293 units), Mandela Gateway Apartments (168 units) and the recent Ironhorse project at Central Station Apartments (99 units). BRIDGE Housing, a major affordable housing developer responsible for Mandela Gateway and Central Station, has also been approved to develop 100 more affordably priced units with 2501 Chestnut and Linden Lofts.

Recent Sales Prices and Rental Rates

Housing Prices

The West Oakland Planning Area has been significantly impacted by the nation-wide housing bubble that burst in 2008. Home sales activity in West Oakland peaked in 2009, but median sales prices declined 30% from the previous year peak. Unlike many other areas of Oakland, the West Oakland housing sub-market began to show signs of recovery in 2010, with a significant reduction in the number of home sales and a 46% increase in the median sales price.

Median unit sales prices in the City of Oakland also declined significantly in 2009, and began to show signs of recovery in 2010. In Oakland, there was a similar pattern, with an increased number of unit sales and a 34% decline in median sales price, largely due to the foreclosure crisis that heavily impacted East Oakland. However, the recent signs of recovery are not as evident for the

City as a whole compared to West Oakland. The citywide median sales price increased by 19% in 2010 to \$243,000, significantly less than the 46% increase in West Oakland.

In fact, in contrast to long-term trends, in 2010 median home sales prices were higher in West Oakland than for the City as a whole.

Rental Rates

In West Oakland, rental rates have fluctuated slightly since 2008, but have largely remained constant over the last few years. Unlike the rapid apartment rent increases projected city-wide and for the larger region, supportable rents in West Oakland will likely remain relatively flat. West Oakland currently serves as a more affordable rental market for many former San Franciscans looking for lower priced housing. The West Oakland rental market is attractive to several new market segments (i.e., artists, entrepreneurs) and these residents are generally price-sensitive. The traditional West Oakland household, although committed to staying in the neighborhood, is generally not able to support rising rents.

POTENTIAL FUTURE HOUSING DEMAND

The Association of Bay Area Governments' (ABAG) projections indicate an expectation of significant household growth in West Oakland, with a total of 7,312 new households projected to be added between 2005 and 2035 (see **Table 3.3.1**). This represents an average projected growth rate of 236 new households a year. This rate of growth would result in a total of approximately 14,100 households in West Oakland by 2035, almost double the number of current households. At current Oakland average household sizes this projection represents a total of 37,493 new West Oakland residents by 2035.

ABAG's household growth projections require housing development and absorption at approximately double the rate that occurred from 2000 to 2011, which was 136 units/year.

The ABAG projections reflect a regional paradigm shift in regional housing growth, directing new growth to more urban, developed areas rather than as typical suburban sprawl. The projected household growth rate also implies far more

densely scaled development than has occurred in West Oakland in the past.

Table 3.3.1: West Oakland Housing Projections, ABAG

	2005 - 2020	2020-2035
Projected Household Growth	3,023	4,289
Recently Developed Units 1	670	
Units Developed/Year (avg.)	112	
Projected Additional Development	2,353	4,289
Housing Units / Year (avg.) ²	294	286

Notes:

1. Includes major market rate projects developed since 2007 and affordable housing projects since 2005. No information was available from City about smaller recently completed developments.

2. For the period of 2005-2020, CCG assumes remaining eight years of housing production between 2012-2020.

Source: Conley Consulting Group, Hausrath Economics Group, ABAG Projections 2009, September 2011.

Tempering Factors in the Near Term

During the next 10 years, it is likely that the West Oakland housing market will still be adversely affected by factors that currently restrain market demand to only a few of the available market segments.

In the mid-term, housing development should focus on mid-range workforce housing to diversify the household makeup incrementally. One exception is the planned Transit-Oriented Development (TOD) at the West Oakland BART station. A TOD project with appropriate area amenities and a critical mass of housing units could achieve substantially higher absorption rates.

In the remaining projection period (from 2020 to 2035), significant improvements to the area

made as a result of this Specific Plan could bolster a rise in housing values that would be substantial enough to support increased housing densities and increased absorption rates. Market rate absorption could reach an average of up to 200 units per year (still lower than that projected by ABAG). The housing market dynamics of West Oakland will likely only reach the projections suggested by ABAG once significant area-wide improvements have been established over time.

Affordable housing will be readily absorbed even without area improvement.

HOUSING-BASED REVITALIZATION STRATEGIES

Reuse and Intensification of Existing Residential Areas

Intent: Stabilize, retain and improve existing housing areas.

Given West Oakland’s high vacancy rate (approximately 20% compared to about 6% city-wide) and relatively low population density, there is substantial opportunity to retain, stabilize and improve the existing housing stock in West Oakland. The predominantly residential neighborhoods of West Oakland that lie outside this Plan’s Opportunity Areas are referred to as Residential Enhancement Areas. These areas are not in need of transformational change, but rather preservation and enhancement of their existing strengths.

Reuse and Intensify-1: Continue preservation and enhancement efforts in West Oakland’s residential neighborhoods through preservation and rehabilitation of historic buildings, infill development on vacant parcels with new housing at compatible scales, and improved streetscapes.

Reuse and Intensify-2: Revitalize and enhance the existing Oak Center, Prescott, Hoover and Clawson neighborhoods. This initiative is likely to involve be a long-term, evolutionary process that will vary according to the circumstances of the existing development pattern and size of parcels.

- On individual residential streets, encourage homeowners and other owners of 1-to-4-unit housing to renovate housing according to the principles of REHAB RIGHT, a planning document issued by the City of Oakland that demonstrates how to make building improvements in a manner that preserves each building's unique historical style.
- On commercial corridors, encourage the renovation of existing multiple-unit buildings, combined with new construction and the intensification of ground-level retail or other commercial space.

Diversified Housing Opportunities

Intent: Expand the range of choices among various housing types throughout West Oakland by diversifying the types of new development among various housing market segments.

West Oakland BART Station TOD

Despite the presence of the West Oakland BART Station, one of the more busy stations and central transit hubs in the Bay Area, West Oakland has not yet seen the development of a transit-oriented, high-rise/high-density mixed use project. With the rise in importance and recognition of the demand for this type of transit-convenient housing, as well as an increase in funding subsidies to promote such development types, West Oakland is poised to capitalize on its significant locational assets and achieve development of a regionally significant new transit-oriented development (TOD) project (see **Figure 3.3.1**).

Diversified Opportunities-1: Capture a larger share of the transit-convenient housing market by developing the West Oakland TOD. The City has already established several parameters needed to ensure that such a development will be successful, including:

- a high-density development project will need to be appropriately mixed with

residential, commercial, office and open space;

- a safe and pleasant pedestrian environment will be necessary, especially near the transit station;
- neighborhood amenities such as benches, kiosks, lighting, and outdoor cafes are needed to enrich and enhance the urban setting;
- potential conflicts between vehicles and pedestrians in and around the station will need to be eliminated; and
- noise from the BART tracks needs to be mitigated with sound barriers.

Townhome and Mid-Rise Development

New wood frame, podium-style housing at medium density ranges (see **Figure 3.3.2**) will likely be among the first housing type to see a resurgent strong market in West Oakland. Examples of this housing type include those units recently built in the vicinity of the West Oakland BART Station, and at the Wood Street Central Station site.

Diversified Opportunities-2: Identify appropriate new sites in West Oakland which are near existing neighborhood services, and that are able to accommodate new residential development.

- Factors that can greatly enhance market performance include neighborhood safety and streetscape improvements, and a wide range of available on-site amenities are part of that development program.
- The already approved Wood Street development is projected to bring upwards of 1,500 new housing units to West Oakland. Among the housing types envisioned at Wood Street, and at several other sites in the nearby neighborhoods, are traditionally designed stacked-flat townhomes.

Fig. 3.3.1: Transit Oriented Development

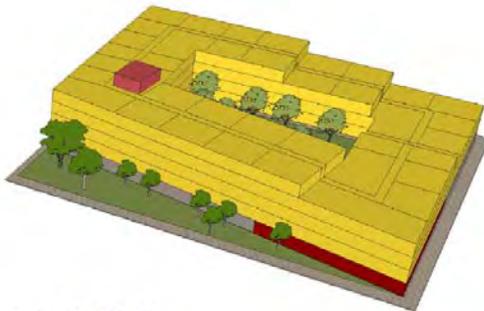


Prototypical building layout



Transit oriented development incorporating office/commercial & residential and served by multiple modes of transit

Fig. 3.3.2: Podium Housing Over Retail



Prototypical building layout

BUILDING DESCRIPTION

- Compatible and frequently used housing type for urban settings
- Generally 4 stories of wood construction with residential units over concrete podium with neighborhood-serving retail and parking
- Should be massed and stepped down to be compatible with scale of surrounding structures.



Multi-storied residential wood frame construction over ground level retail

- Together with ancillary retail, services and public space, completion of these projects and the addition of similar products types throughout the residential edges of West Oakland could serve as a major residential and community attraction, encouraging additional development of adjacent areas.

Residential Infill

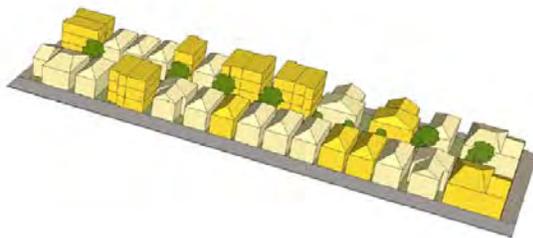
Smaller residential infill projects throughout West Oakland’s existing neighborhoods, including new duplex, 4-plex and single family units (see **Figure 3.3.3**), will likely be readily absorbed, especially in the Clawson and other neighborhoods on the edges of the

Oakland/Emeryville city limit line, and near the older historic neighborhoods of West Oakland such as the Prescott neighborhoods.

Diversified Opportunities-3: Revitalize major arterial corridors such as San Pablo Avenue and 7th Street by creating new opportunities for urban, mixed-use districts with residential uses above ground-floor, neighborhood-serving commercial use.

- Infill opportunities for such housing products abound along each of these corridors.

Fig. 3.3.3: Residential Infill



BUILDING DESCRIPTION

- Buildings should be designed with sensitivity to the surrounding neighborhood and pedestrian scale.
- Destination Retail encourages residents to shop locally and curb retail leakage
- May be adaptive reuse or new construction

Prototypical building layout



Compatibly scaled new construction of infill parcels