



UPPER BROADWAY STRATEGY

A Component of the
OAKLAND RETAIL ENHANCEMENT STRATEGY

Last Updated: September 11, 2007

This report was constructed by Conley Consulting Group, Strategic Economics, JRDV Architects and Colliers International with the assistance of City of Oakland staff including Claudia Cappio, Gregory Hunter, Aliza Gallo, Keira Williams and Kathy Kleinbaum.

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I.	Introduction.....	5
	• Steps Undertaken.....	6
	• Report Organization.....	7
	Executive Summary.....	8
II.	Oakland's Shortage Of Comparison Retail Goods Stores.....	11
	• A. The Oakland Consumer.....	12
	• B. Consumer Profiles.....	12
	• C. Diversity.....	13
	• D. Residents' Spending Power and Leakage.....	13
	• E. Oakland Employees.....	15
	• F. Shopper Survey and Public Meetings.....	18
III.	Upper Broadway Site Opportunities.....	19
	• A. Site Acquisitions Costs.....	20
	• B. Mixed Use.....	21
	• C. Retail Prototypes for Upper Broadway.....	21
	• D. Upper Broadway Retail Development Opportunities.....	23
	• E. Development Alternative 1.....	26
	• F. Development Alternative 2.....	28
	• G. Development Alternative 3.....	30
IV.	Feasibility And City Action Requirements.....	33
	• A. Market Opportunities.....	34
	• B. Retail Feasibility Issues.....	37
V.	Implementation Plan.....	43
	• A. Opportunities and Constraints.....	44
	• B. Critical Action Steps.....	44
	• C. Organizational Readiness and Resource.....	45
	• D. Resource Needs.....	45
	• E. Action Plan.....	45

Appendices

A.	Case Studies.....	49
B.	Mixed Use Design Guidelines.....	59
C.	Claritas Lifestyle Cluster Profile Definitions.....	95
D.	Parking Strategies.....	99
E.	Public Meetings.....	103

A. Tables

1. City of Oakland, 2007 Demographics.....	12
2. Oakland Lifestyle Clusters.....	12
3. Oakland Diversity.....	13
4. City of Oakland Retail Leakage.....	14
5. 2005 Sales Per Capita.....	14
6. Oakland Workforce PRIZM Clusters.....	15
7. Upper Broadway Site Acquisition Costs.....	21
8. Alternative 1 – Development Combinations.....	26
9. Alternative 1 – Area Tabulations.....	26
10. Alternative 2 – Development Combinations.....	28
11. Alternative 2 – Area Tabulations.....	28
12. Alternative 3 – Development Combinations.....	30
13. Alternative 3 – Area Tabulations.....	30
14. Primary Trade Area PRIZM Clusters.....	35
15. Primary Trade Area Lifestyle Profiles.....	35
16. Trade Area Diversity.....	36
17. Trade Area Workforce PRIZM Clusters.....	36
18. Alternative Upper Broadway Development Programs : Zone I.....	39
19. Economic Feasibility Assessment, Alternative Development Scenarios : Zone I.....	40
20. Oakland Retail Expenditure Potential and Percentage Captured.....	46
21. Sales Performance and Sales Tax Generation.....	46
22. Upper Broadway Implementation Tasks and Timeline.....	47

B. Figures

1. Retail Competition Map.....	17
2. Upper Broadway Site and Zones.....	20
3. Alternative 1 – Urban Mixed Use with Major Retail.....	27
4. Alternative 2 – Large Format Stores.....	29
5. Alternative 3 – Mixed Use with Secondary Retail.....	31
6. Primary Trade Area Map.....	34
7. Primary Trade Area Map.....	46
8. Illustrative Site Plan.....	46

**UPPER BROADWAY STRATEGY**

A Component of the
OAKLAND RETAIL ENHANCEMENT STRATEGY
Last Updated: September 11, 2007

Oakland has long been the nation's largest under served Trade Area for comparison goods, which are defined as merchandise sold in apparel, department, specialty (like jewelry shops and gift stores) and home furnishings stores for which consumers typically like to shop by comparing quality and prices. Unlike other mid-size cities that draw shoppers in from surrounding areas, Oakland stores do not even serve the demand from its own residents. Oakland currently exports approximately 75% of its potential sales in this category, or roughly \$1 Billion in sales every year to the neighboring communities of Emeryville, San Leandro, San Francisco, and Walnut Creek. While the City has many fine merchants, it lacks the larger retailers and critical mass of retail selection that draw its residents to shop outside of town.

In 2006, the Oakland City Council decided to make retail recruitment and development a high priority for the City. A consultant team led by Conley Consulting Group was hired to evaluate the retail enhancement opportunities and create an action plan to implement specific retail revitalization activities in neighborhoods across the City. This report addresses the retail opportunity in the Upper Broadway area, the first component of the citywide strategy. The Citywide Retail Enhancement Strategy is a one year effort, scheduled for completion in Spring, 2008.

Upper Broadway has been identified as a retail development priority area because significant land area is potentially available for new development if and when auto dealers relocate to a new auto mall scheduled to be located on the former Oakland Army Base in the next few years.

A. STEPS UNDERTAKEN

To create this strategy, the Conley Consulting Group consultant team has undertaken the following steps and analyses:

- Toured the Council designated retail priority districts and identified existing nodes of retail activity citywide
- Identified and mapped the location of all retail outlets with sales over \$1 Million in 2005, the latest year available
- Prepared a demographic profile for the City as a whole, and created a document describing the Oakland Consumer
- Defined a Trade Area for comparison goods retail in Upper Broadway, and prepared a demographic profile of that Trade Area.
- Estimated the retail expenditure potential of the City and of the Upper Broadway Trade Area, and the amount of that potential now lost to Oakland as leakage
- Evaluated the parcels potentially available from auto dealership relocation, and



UPPER BROADWAY STRATEGY

A Component of the
OAKLAND RETAIL ENHANCEMENT STRATEGY
Last Updated: September 11, 2007

the potential to assemble sites adequate to support a competitive, urban retail development

- Prepared conceptual designs of alternative retail developments in Upper Broadway
- Solicited input from Oakland residents and employees through an online survey and four public meetings held in June and July
- Tested the feasibility of the alternative retail concepts
- Analyzed case studies of other successful retail turnaround situations throughout California
- Identified implementation approaches and an overall strategy, and prepared an implementation plan for retail in Upper Broadway

B. REPORT ORGANIZATION

Following this Introduction and the Executive Summary, the report is organized as follows:

Section II. Oakland's Shortage of Comparison Goods, describes the citywide shortage of comparison goods sales in comparison to the expenditure potential of Oakland residents. Section II also summarizes the retail preferences of Oakland consumers, as revealed in public meetings conducted for this effort. This section also describes the City's retail performance, the loss of potential expenditures due to leakage, and the consequences of that loss.

Section III. Upper Broadway Site Opportunities, describes three alternative retail development concepts for the site areas potentially available in Upper Broadway.

Section IV. Feasibility and City Action Requirements, analyzes the feasibility of retail development and identifies strategies to bridge feasibility constraints. The section also identifies required City actions.

Appendices:

- A. Case Studies
- B. Mixed Use Design Guidelines
- C. Claritas Lifestyle Cluster Profile Definitions
- D. Parking Strategies
- E. Public Meetings

Lost Opportunity**\$1 Billion lost activity
from the Oakland
economy****\$10 Million sales tax
forgone****10,400 jobs retail
could have supported***Source: CCG, August 2007.*

Major land use changes in the Upper Broadway Area are likely in the foreseeable future, and these changes provide a unique opportunity to create a retail environment that can reverse Oakland's long-standing leakage of retail sales potential, especially for comparison goods (this includes goods sold in clothing, home furnishings, general merchandise and department, gifts, and specialty stores).

In recognition of this unique opportunity the Oakland City Council directed the consultant team to begin work on a citywide retail strategy by looking first at the Upper Broadway area. It is our key conclusion that the Upper Broadway area is the City's single best opportunity to recapture this lost portion of its economy. The team is pleased to present this strategy for creating a major retail environment near the heart of Oakland.

LEAKAGE AND OPPORTUNITY TO RECAPTURE LOST SALES

Today, two out of every three dollars Oakland residents could spend for comparison goods is lost to the Oakland economy, resulting in a leakage of \$1 Billion a year. This missed opportunity has significant consequences: Oakland residents are inconvenienced as they travel elsewhere to shop, the environment is harmed by extra vehicle miles traveled, and Oakland neighborhoods suffer the loss of economic vitality that would enrich the City if these sales could be captured at home. Economically, the City's weak comparison goods retail sector results in \$10 Million in forgone sales tax revenues each year, and the loss of 10,400 potential jobs.

Enhancing retail is important to Oakland residents. When asked about their interest in enhancing retail in Oakland, more than 2300 people responded to the still-ongoing online survey, almost ten times as many responses as expected. Participants at a series of public meetings for this effort strongly expressed a desire to see an improved retail sector in the City, with some expressed caveats about the desired nature of the hoped-for improvements.

UPPER BROADWAY RETAIL OPPORTUNITY

If and when auto dealerships relocate to the proposed auto mall at the Oakland Army base, large land areas will become available, and it will be possible to assemble the only sites that meet the 10 acre size minimum required to create a retail complex with sufficient critical mass to start to reverse these trends in the center of the City. Other potential sites along the City's edge are not as ideally situated to recapture this lost potential.

If a ten acre site is developed on one of the two alternative locations in the Upper Broadway Area as mixed use with major emphasis on the retail component, 450,000 SF of high quality comparison goods retail could be created, along with 850 housing units (or another land value supporting upper floor use), nearly \$167 Million in retail expenditure potential and \$1.7 Million in annual sales tax could be captured. The benefits of successful retail development would go beyond this single project; the case studies of other communities that have successfully turned around their retail sectors show that one successful project makes the next project easier to achieve, and has benefits to other retailers whose customers no

**UPPER BROADWAY STRATEGY**

A Component of the
OAKLAND RETAIL ENHANCEMENT STRATEGY
Last Updated: September 11, 2007

longer travel outside of the community to meet their shopping needs (see *Appendix A*).

Because there are limited redevelopment resources available in this area, and because land prices are amongst the highest in the City, mixed use development will be required to make the project feasible. The conceptual financial feasibility test of an illustrative development on a 10 acre site shows the project is financially feasible. The results of the test indicate that the recommended mixed-use development could support likely land costs and perhaps contribute to additional capital improvements, assuming that parking costs are publicly funded. Actual development is likely to be at least 5 years in the future. At the time of development near term concerns about the housing and office markets are assumed to be resolved.

REQUIREMENTS FOR SUCCESS

- A critical mass of retail is developed with a coordinated merchandising plan with a distribution of types of stores and shopper amenities such that consumers can be confident of the types, quality, and depth of selection available. Centralized leasing and management is required.
- The tenant mix is appropriate to the preferences of the customer base. The retail complex must serve a recognizable market niche, or cluster of related niches. A popularly priced or lower end retail mix is not likely to capture support from the middle to upper end consumers who are currently poorly served in Oakland.
- Adequate vehicular access and parking will be available, supplemented to the extent feasible by transit access. It is likely that the major, customer attracting retail stores will require parking at about four spaces per thousand square feet of retail space to commit to this retail location, even if transit is made available.
- Shoppers and merchants are free of concern about crime. For shoppers this means freedom from fear of crime against their persons or possessions as they enter or leave the retail environment and while shopping. For merchants this means freedom from fear that their merchandise is secure until purchased, and their employees are secure as they travel to and from work.
- After initial development, the ongoing management of the center is performed at the highest standards, including: marketing and promotion, leasing and tenanting, security, and maintenance.
- The public sector will reduce development risk by creating and sustaining a strong political commitment to the project, one that spans multiple election cycles.

IMPLEMENTATION STRATEGIES TO REALIZE THE OPPORTUNITY

The consultant team has identified a multi level approach to make the opportunity reality. The strategy includes these key components:

1. A Specific Plan is the recommended mechanism to work through the public objectives for the project, to resolve potential land use conflicts and reach community consensus, and create a funding strategy for public improvements. Ensuring that the Specific Plan results in an economically viable vision is a key component of this recommendation.
2. A careful strategy for involving the retail industry must be defined. Given limited public resources, it is likely that the private sector will acquire key sites and develop them according to careful City guidelines. We recommend that Oakland focus first on defining its specific objectives for this project, rather than responding to any one developer's requirements.
3. Design Guidelines are proposed to ensure that retail in the Upper Broadway area is able to leverage the market opportunity, rather than serve as an afterthought in future projects driven by other land-value supportive land uses (see *Appendix B*). These guidelines may also inform land use policy in other retail-priority areas in the City.

The action-specific implementation strategy is described further in Section V, with roles defined for various units within the Community and Economic Development Agency.

CRITICAL ACTION STEPS

- Priority 1: Secure lasting public commitments
- Priority 2: Create realistic Specific Plan and EIR
- Priority 3: Maintain site availability
- Priority 4: High quality retail development in mixed use projects by adopting Design Guidelines
- Priority 5: Resolve planning and environmental issues
- Priority 6: Create public retail parking finance plan
- Priority 7: Solicit qualified developers based on public consensus developed in specific plan



UPPER BROADWAY STRATEGY

A Component of the
OAKLAND RETAIL ENHANCEMENT STRATEGY
Last Updated: September 11, 2007

II : OAKLAND'S SHORTAGE OF COMPARISON RETAIL GOODS STORES

A. THE OAKLAND CONSUMER

The residents of the City of Oakland comprise a large and potentially lucrative market for retail goods and services. Retail demand in the City is generated by almost 420,000 City residents*, who occupy almost 160,000 households. Oakland's households span a broad range of incomes: 30,500 households have annual incomes at or above \$100,000, 46,000 households have yearly incomes between \$50,000 and 100,000, and 60,000 households have incomes below \$35,000. The average household income of City residents is roughly \$67,500. Per capita income is \$25,500 per year, roughly equal to the California average.

The City's population is growing; new housing development since 2000, supported in part by former Mayor Brown's 10K initiative, has added nearly 6,000 new units to the City's housing stock, with 2,000 units currently under construction, and another 8,000 units the planning stage. Of these new units, over 2,000 are in the downtown area, with another 5,000 to be added in units both planned and under construction.

Table 1. City of Oakland, 2007 Demographics

Population (est.)	420,000
Households (est.)	160,000
Average Household Size	3 persons
Average Household Income	\$70,000
Est. Per Capita Income	\$30,000
Median Age	36 years
Median Housing Price	\$510,000

Source: CCG, Claritas Inc., August 2007.

Sales of new housing units and recent sales of existing homes demonstrate that Oakland continues to attract high income households. New multifamily housing sale prices range from \$300,000 to \$850,000, and average single family homes are selling between \$400,000 and \$900,000. In several neighborhoods, prices reach as high as \$4 Million.

The median age of Oakland residents is 36 years old. The population is highly educated, with more than twice as many college graduates as the national average. Oakland has the fourth highest percentage of households with personal computers in the nation.

Table 2. Oakland Lifestyle Clusters

Cluster Name	2006 Households	% of Households**	Oakland/ U.S. Index***
Young Digerati	7,000	5%	360
Money and Brains	11,000	8%	370
Bohemian Mix	20,000	13%	740
Cosmopolitans	6,000	4%	320
American Dreams	13,000	9%	400
Urban Achievers	13,000	9%	570
Multi-Culti Mosaic	13,000	9%	500
Close-In Couples	10,000	7%	590
Upper Crust	5,500	4%	250
Blue Blood Estates	2,500	2%	170
Movers and Shakers	4,500	3%	190
Big City Blues	11,000	8%	680

Source: CCG, Claritas Inc., August 2007.

B. CONSUMER PROFILES

Based on a combination of demographic and socio-economic factors, Claritas PRIZM defines Lifestyle clusters to predict consumer behavior. More than one third of the City's households belong to the clusters grouped under the heading "Urban Uptown," defined as the nation's

*All figures in this section are rounded to the nearest 10,000.

**Cluster lifestyle profiles detailed in this table are only those with significant concentration in Oakland, resulting in the total percentage of households not adding to 100%.

***An index of 100 means Oakland's concentration is equal to U.S. average.



UPPER BROADWAY STRATEGY

A Component of the
OAKLAND RETAIL ENHANCEMENT STRATEGY
Last Updated: September 11, 2007

wealthiest urban consumers with the most sophisticated tastes. The diverse, predominantly childless group called Midtown Mix includes another 24% of Oakland households. Oakland has 3 to 7 times greater concentration of households in these clusters than does the nation as a whole (See Appendix C for Cluster Profile Definitions). These clusters are an attractive shopper support base for new retail.

C. DIVERSITY

Oakland is the most diverse city in the nation, with a population becoming increasingly balanced between Euro Americans, African Americans, Latino Americans and Asian Americans. The different peoples of Oakland live in every neighborhood, with each group represented at every income level.

Table 3. Oakland Diversity

	2007 Est. Pop.	House- holds	% House- holds
Euro American	130,000	60,000	40%
African American	130,000	50,000	33%
Latino American	110,000	30,000	18%
Asian American	70,000	20,000	15%
Total	420,000	160,000	

Source: CCG, Claritas Inc., August 2007.

D. RESIDENTS' SPENDING POWER AND LEAKAGE

Based on California taxable retail sales trends¹, CCG has estimated the expenditure potential of City residents. Oakland residents have an average annual expenditure potential of almost \$1 Billion for Convenience Goods which include goods sold in supermarkets, drug stores, and other outlets for which convenience is a primary shopper selection criteria, an additional \$1.5 Billion for Comparison Goods, which are products sold in stores such as apparel, home furnishings, and department stores; and a total potential support for retail stores of more than \$4 Billion. If anything, these estimates understate the expenditure potential of Oakland residents given that they are based on sources which typically underestimate the buying power of urban residents and minorities. On the following page, Table 4 details the City of Oakland's retail leakage.

¹ Based on sales trends for the year 2005, the last year for which statewide expenditure data was available at the time of the writing of this report. Because Oakland per Capita spending is similar to the state average, California average expenditure potential patterns were used to project Oakland expenditure potential.

D. RESIDENTS' SPENDING POWER AND LEAKAGE (CONT.)

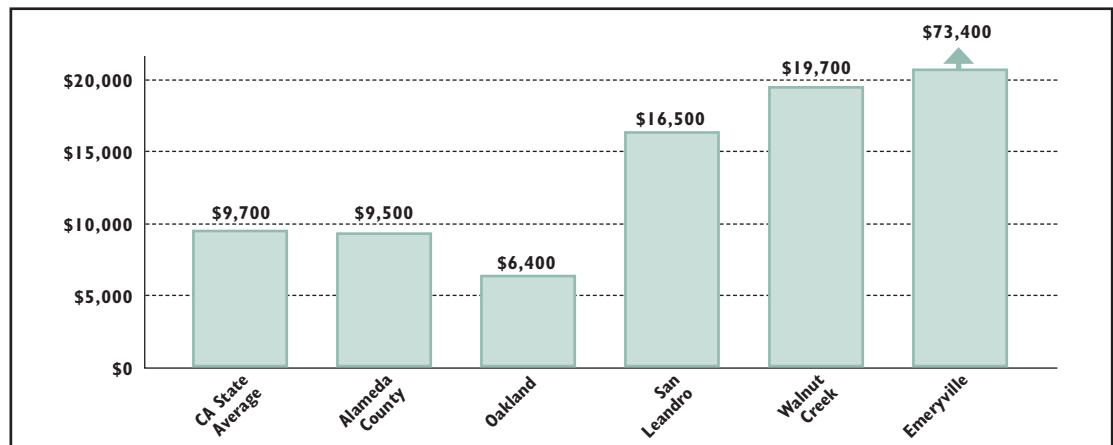
Table 4. City of Oakland Retail Leakage

	Total Expenditure Potential	2005 Retail Sales	Sales Leakage (Import)	Target Sales Performance per SF	Theoretical New SF Supportable
Convenience Goods					
All Food Stores	\$817,380,000	\$584,880,000	\$232,500,000	450	520,000
Comparison Goods					
Apparel	209,930,000	63,880,000	146,050,000	250	580,000
General Merchandise	597,420,000	61,270,000	536,150,000	350	1,530,000
Home Furnishings/Appliances	195,080,000	121,250,000	73,830,000	300	250,000
Specialty	587,610,000	340,680,000	246,930,000	150	1,650,000
Eating and Drinking	520,700,000	426,870,000	93,830,000	275	340,000
Building Materials	405,590,000	310,190,000	95,400,000	300	320,000
Service Stations	432,680,000	434,730,000	(2,050,000)		
All Other Retail Stores	136,540,000	112,620,000	23,920,000	250	100,000
Subtotal Non-Auto Retail Sales	\$4,023,850,000	\$2,735,120,000	\$1,448,620,000		5,280,000
Auto Dealers and Supplies	825,730,000	545,860,000	279,880,000	N/A	
TOTAL	\$4,849,580,000	\$3,280,980,000	\$1,728,500,000		5,280,000

Source: CCG, Claritas Inc., August 2007.

As shown above, existing Oakland retailers capture varying portions of residents' expenditure potential, depending on the category of retail. For comparison goods, the City's merchants capture only one third of residents' retail sales potential. The sales that are not captured by Oakland stores are referred to as leakage, and for comparison goods most of that leakage is presumed lost to stores in other communities. Alternatively, Oakland consumers may shop less than other Californians, or do more of their shopping online.

Table 5. 2005 Sales Per Capita



Source: CCG, Claritas Inc., August 2007.



UPPER BROADWAY STRATEGY

A Component of the
OAKLAND RETAIL ENHANCEMENT STRATEGY
Last Updated: September 11, 2007

For the total category of convenience goods, the sales captured by local merchants more closely matches residents' expenditure potential. However within this category, the leakage of food store sales likely reflects the fact that some neighborhoods do not have an adequate supply of full line grocery stores² and these residents shop in nearby cities.

Compared to the state as a whole, and to neighboring cities, Oakland captures significantly less per capita for retail goods sales. Given the similarities in per capita income with the state as a whole, the expenditure potential of Oakland residents should be approximately on par with state averages, or \$9,700 per person, per year.

On an annual basis, Oakland loses more than \$1 Billion in economic activity that could be supported by its residents alone. However, this understates the impact on the City's economy, because as the largest city in the East Bay, Oakland should be importing sales from neighboring communities.

Instead, Oakland exports sales, jobs and sales tax revenues to its neighbors, as shown on the left.

E. OAKLAND EMPLOYEES

Oakland also has a large and growing employment base. City workplaces employ 208,000 persons in 2007, of which nearly 80,000 work in the central Oakland area. Census 2000 data show that of the 175,000 workers who traveled to jobs in Oakland, 67,000 came from homes in Oakland. Like City residents, Oakland workers also comprise an attractive shopper base for potential retailers. The remainder comprises residents of other communities, and thus represents a potential for retail sales over and above the sales supported by City residents. Approximately 52,000 office employees work in the central Oakland area. The annual spending power of the downtown Oakland employment base is roughly \$283 million.

Lost Opportunity

\$1 billion lost activity from the Oakland economy

\$10 million sales tax forgone

10,400 jobs retail could have supported

Source: CCG, August 2007.

Table 6. Oakland Workforce Clusters

Cluster Name	2006 House-holds	% of House-holds*	Oakland/ U.S. Index
Young Digerati	11,000	5%	410
Money and Brains	31,000	15%	660
Bohemian Mix	28,000	13%	750
Cosmopolitans	6,000	3%	250
American Dreams	13,000	6%	250
Urban Achievers	13,000	6%	430
Multi-Culti Mosaic	9,000	4%	250
Close-In Couples	6,000	3%	280
Upper Crust	10,000	5%	320
Blue Blood Estates	2,000	1%	90
Movers and Shakers	14,000	7%	380

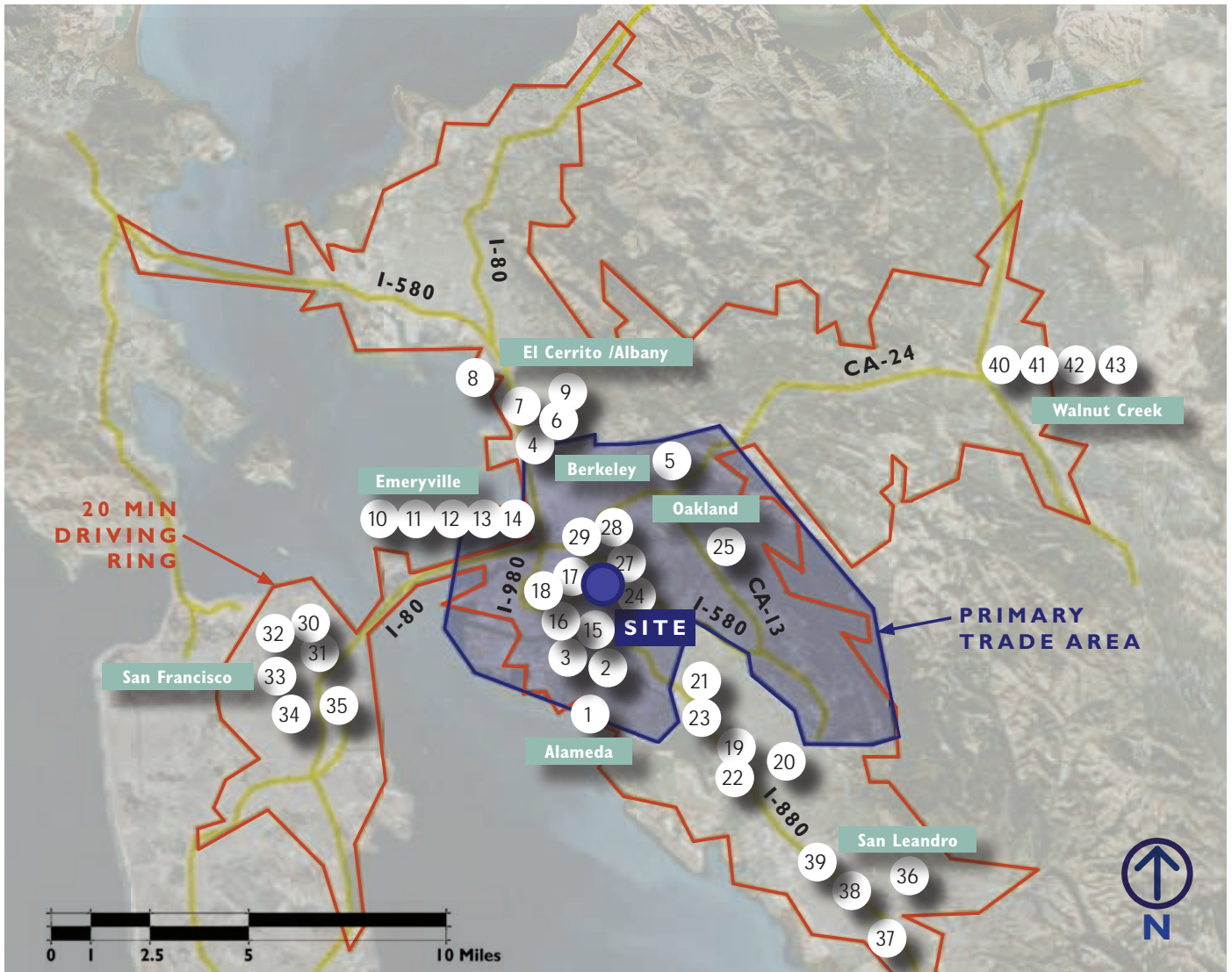
Source: CCG, Claritas Inc., MetaFacts; August 2007.

*Cluster lifestyle profiles detailed in this table are only those with significant concentration in Oakland, resulting in the total percentage of households not adding to 100%.

This table and map represent existing comparison retail competition in the East Bay and San Francisco.

#	Center Name	Type	Anchor/Example Tenants
Alameda			
1	Alameda Towne Center	Dept Store Anchor	Mervyn's, Trader Joe's, Borders
2	Alameda Bridgeside Center	Grocery Anchor	Nob Hill Foods
3	Marina Village	Grocery Anchor	Albertsons, Longs
Berkeley			
4	Fourth Street	Pedestrian Street	Sur La Table, Crate & Barrel Outlet
5	Elmwood	Pedestrian Street	Local merchants, AG Ferrari
6	Gilman Street & San Pablo	Free Standing	REI, Smith & Hawken
El Cerrito / Albany / Richmond			
7	Target	Free Standing	
8	Costco	Free Standing	
9	Solano Avenue	Pedestrian	Restaurants and local merchants
Emeryville			
10	Emeryville Marketplace	Entertainment	Borders, Public Food Market
11	Bay Street	Cinema Anchor/ Lifestyle	16-screen cinema, Barnes & Noble, Apple
12	Powell Street Plaza	Promotional	Circuit City, JoAnn Fabrics, Ross, Trader Joe's
13	East BayBridge Center	Free Standing	CompUSA, Home Depot, Babies R Us
14	IKEA	Free Standing	
Oakland			
15	Jack London Square	Entertainment	Yoshi's, BevMo
16	Related Jack London	Free Standing	Bed Bath Beyond, Cost Plus
17	City Center	Vehicular Street	Dress Barn, Radio Shack
18	Old Oakland	Pedestrian Street	Restaurants and local merchants
19	Coliseum Plaza	Free Standing	Autoparts
20	Durant Square	Vehicular Street	Food Maxx
21	Fruitvale Station	Free Standing	Albertsons, Big Lots
22	Hegenberger Gateway	Free Standing	Wal-Mart
23	High Street	Free Standing	Home Depot
24	Lakeshore	Vehicular Street	Arizmendi, restaurants and local merchants
25	Montclair	Pedestrian Street	Restaurants and local merchants
26	Piedmont Avenue	Pedestrian Street	Restaurants and local merchants
27	Rockridge Shopping Center	Vehicular Street	Longs, Safeway, Boston Market
28	College Avenue	Vehicular Street	Restaurants and local merchants
29	Temescal	Vehicular Street	Walgreens, restaurants and local merchants
San Francisco			
30	Union Square	Dept Stores/ Ped Street	Macy's, Saks, Neiman Marcus
31	Market Street / SF Center	Dept Stores/ Ped Street	Nordstrom, Bloomingdale's
32	Fillmore Street	Pedestrian Street	Marc Jacobs, Smith & Hawken
33	Hayes Valley	Pedestrian Street	Restaurants and local merchants
34	Valencia Street	Pedestrian Street	Restaurants and local merchants
35	Division Street / Bryant	Pedestrian Street	Best Buy, Bed Bath & Beyond, Trader Joe's
San Leandro			
36	BayFair Mall	Dept Store Anchor	Macy's, Target, Staples
37	Greenhouse Marketplace	Convenience	Longs, MacFrugals, Safeway
38	Marina Square Mall	Promotional	Ann Taylor, Nordstrom Rack
39	West Gate Shopping Center	Free Standing	Home Depot, Wal-Mart
Walnut Creek			
40	Broadway Plaza	Street/Free Standing	Macy's, Nordstrom, Banana Rep, Crate & Barrel
41	Olympia Place/Plaza Escuela	Street/Free Standing	Container Store
42	Old Downtown	Pedestrian Street	Local merchants

Figure 1. Retail Competition Map



F. SHOPPER SURVEY AND PUBLIC MEETINGS

An online shopper survey was conducted to determine Oakland residents' and employees' current shopper patterns, preferences, and interest in retail enhancement. The original goal was to obtain 250 responses to the online survey. As of the writing of this report, more than 2300 surveys have been completed. The survey results are not scheduled to be available until after the conclusion of the consultant's efforts on the Upper Broadway area, and are therefore not included in this report.

A series of four public meetings were held in June and July to assess Oakland residents' interest in and concerns about retail enhancement. The outcome of these meetings is described in Appendix E.



UPPER BROADWAY STRATEGY

A Component of the
OAKLAND RETAIL ENHANCEMENT STRATEGY
Last Updated: September 11, 2007

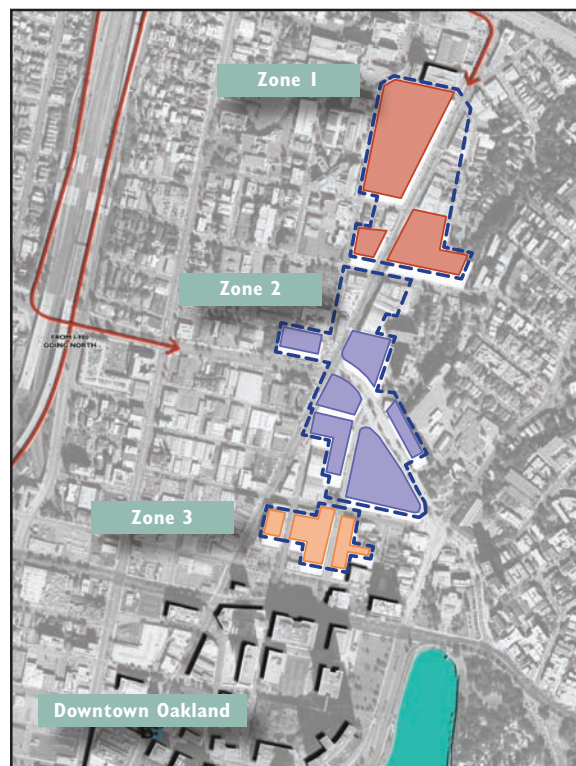
In 2006, the Oakland City Council directed staff to investigate the potential to relocate auto dealerships to the former Oakland Army Base. At the time the Council also made the decision to pursue a citywide retail strategy; the consultant effort was directed to focus on the former Auto Row/Upper Broadway area first, due to the possible availability of large sites in the area from auto dealer relocation to the Army Base in the near future. At the time of the writing of this report, two dealerships have made commitments to move to the Army Base. Other dealerships are currently in discussion about relocation, and several dealerships have announced plans to remain in the Upper Broadway area.

Even though at this time complete relocation of the current Auto Row to the Army Base does not seem likely in the near term, it does seem likely that major land use changes will happen in the Upper Broadway area in the foreseeable future. In that context, the team's work in the area can be seen as an illustration of what might be possible if the area were reused for major retail development.

A. SITE ACQUISITION COSTS

Sites in the Upper Broadway area have been selling at prices ranging from \$120 to \$155 per SF, and asking prices are currently as high as \$140/SF. For planning purposes, and in consultation with the City's Real Estate staff, the consultant team estimated the site

Figure 2. Upper Broadway Site and Zones



acquisition costs at prices ranging from \$120 to \$155/SF, depending on location. In addition to site acquisition costs, any land purchaser will have to demolish the existing structures on site and remediate any hazardous conditions. Demolition costs were roughly estimated \$8.50 per building SF and hazardous material remediation costs at \$22.28 per land SF based on recent cost levels at the Uptown residential development site at 20th and Telegraph. If the sites are acquired with public assistance, or as the result of Redevelopment policy, the current tenants will be entitled to relocation benefits. City staff estimated a rough order of magnitude costs for current site occupants. No relocation benefits were assumed for the auto dealerships, who are presumed to be moving voluntarily and prior to public obligation to pay relocation benefits.

Total acquisition costs for the site areas illustrated in Figure 2 are shown in Table 7, below. Average site acquisition costs

Zone 1
Site Area: 453,900 SF
Zone 2
Site Area: 384,700 SF
Zone 3
Site Area: 119,600 SF



UPPER BROADWAY STRATEGY

A Component of the
OAKLAND RETAIL ENHANCEMENT STRATEGY
Last Updated: September 11, 2007

are roughly estimated at almost \$181/SF, with land costs in Zone 2 and 3 at about \$195/SF.

Table 7. Upper Broadway Site Acquisition Costs

	Zone 1	Zone 2	Zone 3	Totals
Land Area	521,000	409,550	119,579	1,049,215
Building Square Footage	116,791	132,481	15,926	265,198
Acquisition Cost	\$68,600,000	\$61,000,000	\$18,500,000	\$148,100,000
Hazmat Remediation	\$11,600,000	\$9,000,000	\$2,700,000	\$23,300,000
Demolition	\$1,000,000	\$1,100,000	\$140,000	\$23,300,000
Relocation	\$300,000	\$900,000	\$200,000	\$1,345,000
Total Costs	\$81,500,000	\$72,000,000	\$21,540,000	\$175,040,000
Plus 10% Contingency	\$89,000,000	\$79,000,000	\$23,500,000	\$191,500,000
Total Est. Cost per SF	\$170.28	\$192.90	\$196.25	\$180.87
<i>Note: Totals may not add due to independent rounding.</i>				

Sources: CCG, City of Oakland, August 2007.

B. MIXED USE

As shown above, total site acquisition costs in the Upper Broadway Area (including land purchase, demolition, hazardous material remediation, and relocation), range from \$170 to \$196/SF, with an average cost across all zones of \$181/SF.

Thus, site acquisition costs in the Upper Broadway Area are among some of the highest in Oakland, and far above the costs which can be borne by single-use retail development. Since there are limited redevelopment resources available to subsidize land costs for development in this area³ the consultant team therefore assumed that retail development in the Upper Broadway Area would necessarily involve mixed use configurations that can support the full cost to buy the site and construct the improvements.

C. RETAIL PROTOTYPES FOR UPPER BROADWAY

1. Urban Mixed Use with Major Retail—is designed and planned to ensure that the retail component functions as a coherent whole, and maximizes the shopper drawing power and retail sales performance of the location. A critical mass of 450,000 SF is typically required for these projects. Leasing bays and window placement are designed to optimize the functionality of the retail use, and sufficient access is provided for restocking merchandise. These projects rely on both transit and parking to accommodate shopper access. Retail

³The Upper Broadway area is included in two Redevelopment Project Areas. The Broadway MacArthur Project Area, which extends to 27th Street was recently adopted and has a limited tax increment flow. Below 27th Street, Upper Broadway is in the Central District Project Area, which is at the end of its term and will expire in six years. According to City sources, uncommitted tax increment funds in the Central District Project Area are extremely limited.

C. RETAIL PROTOTYPES FOR UPPER BROADWAY (Cont.)

in multiple buildings is designed with a unified merchandising plan so that shoppers are confident that they can meet defined shopping needs. The project often includes either anchor or mini-anchor tenants to draw shoppers, and primarily offers comparison goods, sometimes in combination with dining and entertainment uses. The term lifestyle retail has been applied to both anchored and unanchored retail centers, and can apply to mixed use centers as well. Lifestyle centers often recreate the shopping environment of successful retail streets that developed over time, sometimes requiring great effort to do so (*Alternative 1 on page 26*).

2. Large Format Stores—are typically above 80,000 SF in size and may range up to 140,000 SF. Most stores require 4 to 5 parking spaces per 1,000 SF, and most stores prefer a single use, single story building. Shoppers are drawn to these stores because they are well known to offer a pricing advantage and/or depth of selection not found in smaller stores. A few retailers who are committed to expanding in urban areas where land is both scarce and expensive have developed multi-floor store prototypes and will consider structured parking solutions (*Alternative 2 on page 28*).

3. Mixed Use with Secondary Retail—is planned to maximize the value of the upper floor use, which is the main source of value to the investor/developer. Ground floor retail uses receive secondary concern in project design and development. If the upper floor use is eventually sold, the developer's ongoing interest in the project can be minimal. Achieving and maintaining an optimum merchandising mix, and high quality ongoing retail management is often not a priority for this development prototype. As opposed to the other prototypes, this is not destination retail: the stores, with the exception of restaurants and nightclubs, are



From top to bottom:
Image 1 – Santana Row, San Jose, is an example of Urban Mixed Use with Major Retail;
Image 2 – West Hollywood Gateway is an example of Large Format Stores;
Image 3 – 4th St and Jackson St, Oakland, is an example of Mixed Use with Secondary Retail;
Image 4 – Safeway, Longs, etc. at Broadway and Pleasant Valley Ave, Oakland, is an example of suburban style retail.



UPPER BROADWAY STRATEGY

A Component of the
OAKLAND RETAIL ENHANCEMENT STRATEGY
Last Updated: September 11, 2007

usually patronized by residents or employees from the immediate surrounding area. Under current Oakland zoning, a building with less than 10,000 SF of ground floor retail is not required to provide parking access or set aside space to accommodate truck loading and servicing for the retail use (*Alternative 3 on page 30*).

4. *Suburban Style Retail*—includes both anchors stores (between 25,000 and 50,000 SF in size) and small shop space in single use buildings with surface parking. The FAR, or floor area ratio (the ratio between site area and total building area) is typically about .25, and parking is typically provided at a ratio between 4 and 5 spaces per 1,000 SF of retail space. The goods sold could include comparison goods and convenience goods, or sometimes a blend of the two.

D. UPPER BROADWAY RETAIL DEVELOPMENT OPPORTUNITIES

Background

The Upper Broadway site is very possibly the last chance for Oakland to reestablish destination retail at its historic, cultural and economic core. From the City's founding in the 1850s until as recently as just before the Great Depression, downtown Oakland was the central retail hub for the East Bay, serving much the same role as Union Square serves in San Francisco and Downtown Walnut Creek serves for Contra Costa County and beyond. In particular, Washington Street between 9th Street and City Hall, and Broadway between 13th and 19th Streets were the East Bay's strongest shopping area for nearly one hundred years.

A variety of factors, including improved transportation between the East Bay and San Francisco, the construction of the Caldecott tunnel and the growth of Contra Costa County to the East, gave rise to Oakland becoming "sandwiched" between two evermore prosperous retail centers, one following a strong urban model, the other a strong suburban model. A similar pattern occurred in other American cities such as New York City and Chicago where "first ring" inner cities have suffered the greatest loss of retail and other economic activity.

As has happened in the Bay Area as well as cities across the country, new retailing has over the past 20 years been reestablished to the inner ring, but generally on former industrial sites, such as those in Emeryville. More rarely has an inner ring city been able to reestablish downtown retail where it had previously existed. Two good examples of revitalized first ring downtowns are Santa Monica and Pasadena



Top left: Washington St, Oakland, in the 1940s with major comparison retail at street level on the site of the present day Oakland City Center. Bottom left: Latham Square, Oakland, in 1939, with major comparison retail at street level.

D. UPPER BROADWAY RETAIL DEVELOPMENT OPPORTUNITIES (Cont.)

in Southern California. Both cities had virtually no destination retail 30 years ago, but both successfully recaptured the kind of tenants that previously could only be found in suburban regional malls. (See *Pasadena Case Study* side bar on page 40)

Oakland's efforts to reclaim its retail are not new. In the late 1960s and 1970s a strong effort was made to create a new regional shopping center on the site that eventually became City Center office development with only convenience retail serving a daytime population. A similar failed effort (which nearly succeeded at one point) was the site of the present Forest City development opposite Sears.



Above: Former I. Magnin department store on the corner of Broadway and 20th Street, Oakland, closed in the 1980s.

Alternatives

The three development alternatives encompassing zones 1, 2 and 3 (see *Figure 2* on page 20) are all designed to define a strong pedestrian-oriented urban vision supporting retail on key designated streets. They are designed to be specific enough to enable programmatic objectives, while flexible enough to encourage creativity by individual developers.

Major new development is shown focused on the large parcels where their current use as automobile dealerships and other uses may be coming to an end. All three alternatives retain existing historical resources and small parcels which would be difficult to assemble under a single ownership. New development is to be carefully massed and articulated to relate to the existing historical resources. All three alternatives address the significance of Broadway, the city's Main Street, and its proximity to downtown, as well as its relationship to adjacent residential neighborhoods, "Pill Hill" medical campuses and the fine existing retail street of Piedmont Avenue, and the site's location near the edge of Lake Merritt.

Finally these alternatives look at taking advantage of both local and regional access by car, transit and bicycle. The site is inherently advantageous to retail developers as it is easily accessible from several of the busiest freeways in the country. In addition, the necessity of augmenting the streetscape plan in concert with new retail uses allows for opportunities of coordinated transit improvements including additional bike lanes and even light rail. A more comprehensive description of potential streetscape improvements is shown in the Design Guidelines in Appendix B of this report.

The three alternatives are designed around different retail programs and intents. Alternatives 1 and 2 are based on retail programs intent on reducing retail leakage from Oakland to "Lifestyle" types of retailers such as those found at Union Square and Walnut Creek, or



UPPER BROADWAY STRATEGY

A Component of the
OAKLAND RETAIL ENHANCEMENT STRATEGY
Last Updated: September 11, 2007

“Power Center” tenants such as those found at East BayBridge Center in Emeryville. In particular, the goal for the Alternatives is to reestablish the destination retail that once existed in downtown Oakland, creating at the edge of the downtown, Oakland’s own unique variation of a retail heart for the community like Union Square is to San Francisco or downtown Walnut Creek is to Contra Costa County.

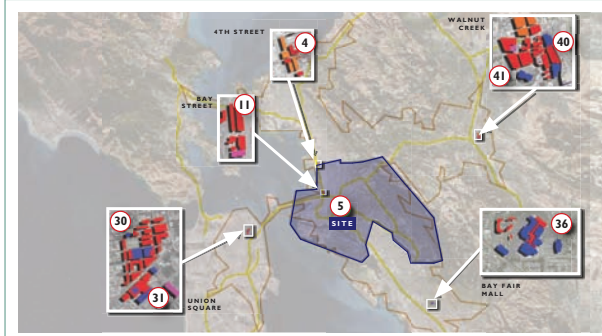
Alternative 3 is based upon on a retail program serving primarily “Neighborhood” or “Community” retail such as those found nearby on College and Piedmont Avenues. The diagrams to the right represent a scale comparison of the Auto Row Upper Broadway site and other prominent retail centers in Berkeley, Emeryville, San Francisco, Walnut Creek and San Leandro.

The alternatives studied and presented to the City in May 2007 include:

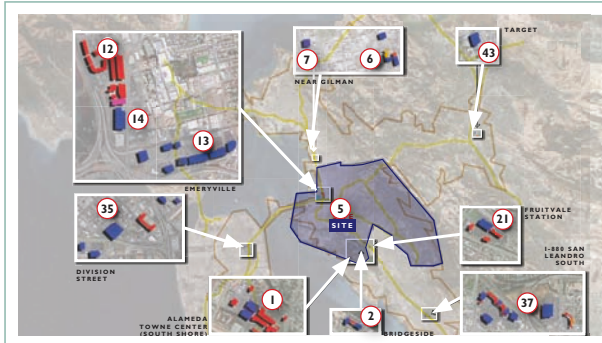
- Alternative 1, “Urban Mixed Use with Major Retail”, which focuses on anchored, continuous comparison goods retail at ground level along major arterials of Broadway, 27th Street and Valdez Street, as the primary use in each of the three zones, with residential development above the ground level retail
- Alternative 2, “Large Format Stores”, which focuses on individual big box retail anchors at ground level along major arterials Broadway and 27th Street, with residential development in Zone 3 along Valdez Street
- Alternative 3, “Mixed Use with Secondary Retail”, which focuses on residential development along major arterials Broadway, 27th Street and Valdez Street, with retail being accommodated along the ground level of these arterials as a secondary use, most likely convenience and food and beverage outlets.

These three alternatives will be explained in greater detail on the following pages.

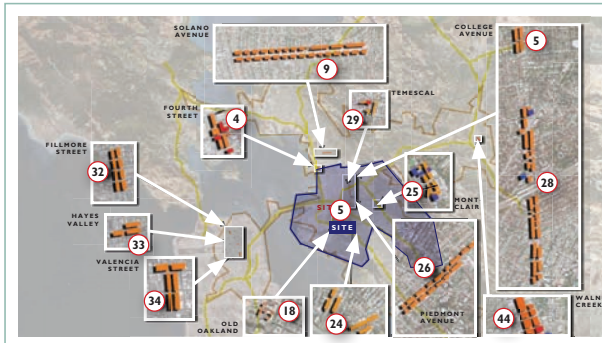
ALTERNATIVE 1 COMPETITION



ALTERNATIVE 2 COMPETITION



ALTERNATIVE 3 COMPETITION



KEY

- Major Anchor
- Cinema
- Small to Medium Stores
- Non-chain Destination

ALAMEDA

- 1 Alameda Towne Center
- 2 Alameda Bridgeside Ctr
- 3 Marina Village

BERKELEY

- 4 Fourth Street
- 5 Elmwood
- 6 Gilman St & San Pablo
- EL CERRITO / ALBANY
- 7 Target
- 8 Costco
- 9 Solano Avenue

EMERYVILLE

- 10 Emeryville Marketplace
- 11 Bay Street
- 12 Powell Street Plaza
- 13 East BayBridge Center
- 14 IKEA

OAKLAND

- 15 Jack London Square
- 16 Related Jack London
- 17 City Center
- 18 Old Oakland
- 19 Coliseum Plaza
- 20 Durant Square
- 21 Fruitvale Station
- 22 Hegenberger Gateway
- 23 High Street
- 24 Lakeshore
- 25 Montclair
- 26 Piedmont Avenue
- 27 Rockridge Shopping Ctr
- 28 Rockridge
- 29 Temescal

SAN FRANCISCO

- 30 Union Square
- 31 Market St / SF Ctr
- 32 Fillmore St
- 33 Hayes Valley
- 34 Valencia St
- 35 Division St / Bryant

SAN LEANDRO

- 36 Bay Fair Mall
- 37 Greenhouse Marketplace
- 38 Marina Square Mall
- 39 West Gate Shopping Ctr

WALNUT CREEK

- 40 Broadway Plaza
- 41 Olympia Place
- 42 Old Downtown
- 43 Target

E. ALTERNATIVE I : URBAN MIXED USE WITH MAJOR RETAIL

This Alternative includes destination, comparison goods retail in a lifestyle or regional retail center format as the primary use in each of the three Zones. There is capacity to accommodate up to four Anchor stores in a multi-story format with 50,000 SF floor plates, plus mini anchors (from 10,000 SF up to 50,000 SF) as well as small shop space and parking. This option is mixed use, accommodating residential development on the upper floors. Within this Alternative there are three Combinations, as follows:

Table 8. Alternative I – Development Combinations

Combination*	Zones Developed	Anchor Stores (2 Story)	Mini Anchors (2 Story)	Small Shop Space (1 Story)	Grand Total	Total Parking Spaces (Existing Spaces)
A	1 and 2	4 anchors total, 510,000 SF	200,700 SF	239,900 SF	950,600 SF	7,357 (1,000)
B	2 and 3	2 anchors total, 247,600 SF	192,000 SF	183,000 SF	622,900 SF	4,650 (1,000)
C	1, 2 and 3	4 anchors total, 510,000 SF	286,700 SF	279,500 SF	1,076,000 SF	8,357 (1,000)

Table 9. Alternative I – Area Tabulation

	Site Area	Large Anchors (50,000+ GSF)	Mini Anchors (10,000-49,999 GSF)	Small Stores (Under 10,000 GSF)	Total Retail	Parking (Spaces)	Residential Units
Zone 1							
Site 1	253,900 SF	147,400 SF	65,500 SF	51,700 SF	264,600 SF	2,000	480 units
Site 2	158,700 SF	115,000 SF	—	31,100 SF	146,100 SF	1,207	280 units
Site 3	41,300 SF	—	29,200 SF	13,400 SF	42,600 SF	—	75 units
Existing Parking**						500	
Total	453,900 SF	262,400 SF	94,700 SF	96,200 SF	453,300 SF	3,707	835 units
Zone 2							
Site 4	38,600 SF	—	—	9,400 SF	9,400 SF	750	70 units
Site 5	78,700 SF	116,400 SF	—	10,700 SF	127,100 SF	750	120 units
Site 6	45,600 SF	—	22,600 SF	31,000 SF	53,600 SF	—	80 units
Site 7	109,400 SF	—	28,000 SF	38,500 SF	66,500 SF	850	76 units
Site 8	71,900 SF	131,200 SF	55,400 SF	25,400 SF	212,000 SF	300	300 units
Site 9	40,500 SF	—	—	28,700 SF	28,700 SF	—	60 units
Total	384,700 SF	247,600 SF	106,000 SF	143,700 SF	497,300 SF	2,650	706 units
Zone 3							
Site 10	67,200 SF	—	86,000 SF	11,300 SF	97,300 SF	400	160 units
Site 11	52,400 SF	—	—	28,300 SF	28,300 SF	300	60 units
Existing Parking**						1,300	
Total	119,600 SF	—	86,000 SF	39,500 SF	125,600 SF	2,000	220 units
Grand Tot.	958,200 SF	510,000 SF	286,700 SF	279,500 SF	1,076,200 SF	8,357	1761 units

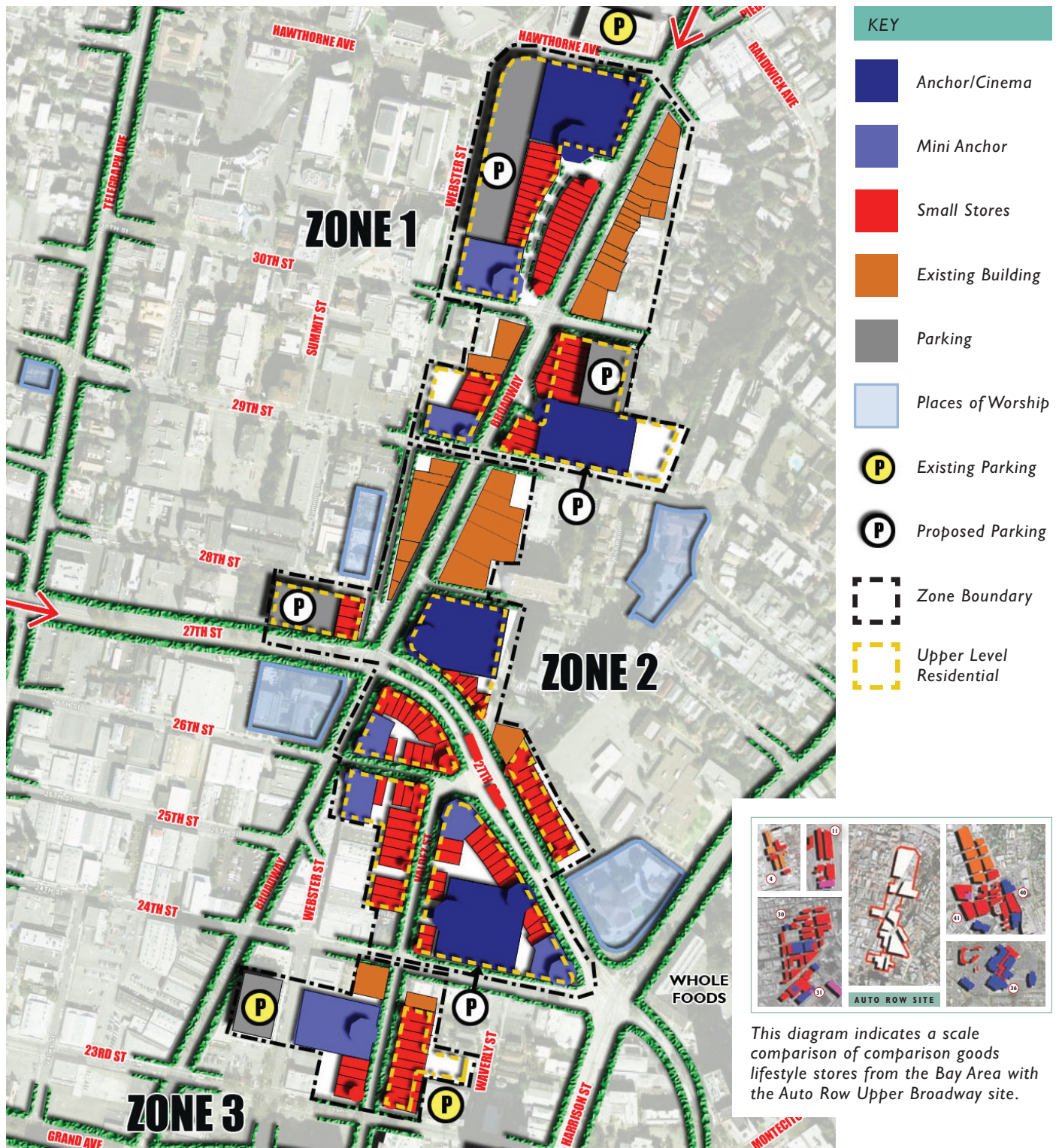
*Combinations incorporating Zone 3 have the potential to connect to the Uptown and Lake Merritt areas, thus drawing support from and reinforcing Downtown. There is additional potential to accommodate retail on the western side of Broadway in Zone 2, under separate ownership and management.

**Existing parking to be confirmed and may include the use of existing parking structures which may not be fully utilized on the weekend. These include the Broadway Webster Medical Plaza on the corner of Broadway and Hawthorne St, the YMCA on Broadway, and the 180 Grand Public Parking on the corner of 23rd St and Waverly St.

**UPPER BROADWAY STRATEGY**

A Component of the
OAKLAND RETAIL ENHANCEMENT STRATEGY
Last Updated: September 11, 2007

Figure 3. Alternative I – Urban Mixed Use with Major Retail



F. ALTERNATIVE 2 : LARGE FORMAT STORES

This Alternative is retail focused, and includes big box retail tenants developed as freestanding stores in the Upper Broadway area. These big box tenants would address a portion of the shortage of comparison goods retail supply for the City of Oakland. There is the potential to add small shop stores, but generally this Alternative depends on the individual stores, rather than creation of a unified shopping environment to draw customer traffic. Within this Alternative there are three Combinations, as follows:

Table 10. Alternative 2 – Development Combinations

Combination*	Zones Developed	Anchor Stores (2 Story)	Mini Anchors (2 Story)	Small Shop Space (1 Story)	Grand Total	Total Parking Spaces (Existing Spaces)
A	1 and 2	8 anchors total, 990,700 SF	–	66,300 SF	1,057,000 SF	5,010 (1,000)
B	2 and 3	5 anchors total, 546,700 SF	–	122,000 SF	668,700 SF	3,710 (1,000)
C	1, 2 and 3	8 anchors total, 990,700 SF	–	122,000 SF	1,112,700 SF	5,810 (1,000)

Table 11. Alternative 2 – Area Tabulation

	Site Area	Large Anchors (50,000+ GSF)	Mini Anchors (10,000-49,999 GSF)	Small Stores (Under 10,000 GSF)	Total Retail	Parking (Spaces)	Residential Units
Zone 1							
Site 1	253,900 SF	332,000 SF	–	–	332,000 SF	1,000	–
Site 2	158,700 SF	112,000 SF	–	–	112,000 SF	600	–
Existing Parking**						500	–
Total	412,600 SF	444,000 SF	–	–	444,000 SF	2,100	–
Zone 2							
Site 4	38,600 SF	77,200 SF	–	–	77,200 SF	225	–
Site 5	78,700 SF	116,400 SF	–	10,700 SF	127,100 SF	450	–
Site 6	45,600 SF	116,600 SF	–	–	116,600 SF	450	–
Site 7	109,400 SF	77,800 SF	–	12,000 SF	89,800 SF	225	–
Site 8	71,900 SF	158,700 SF	–	43,600 SF	202,300 SF	500	–
Total	344,200 SF	546,700 SF	–	66,300 SF	613,000 SF	1,910	–
Zone 3							
Site 10	67,200 SF	–	–	27,000 SF	27,000 SF	300	200 units
Site 11	52,400 SF	–	–	28,700 SF	28,700 SF	200	75 units
Existing Parking**						1,300	–
Total	119,600 SF	–	–	55,700 SF	55,700 SF	1,800	275 units
Grand Tot.	876,400 SF	990,700 SF	–	122,000 SF	1,112,700 SF	5,810	275 units

*Combinations incorporating Zone 3 have the potential to connect to the Uptown and Lake Merritt areas, thus drawing support from and reinforcing Downtown.

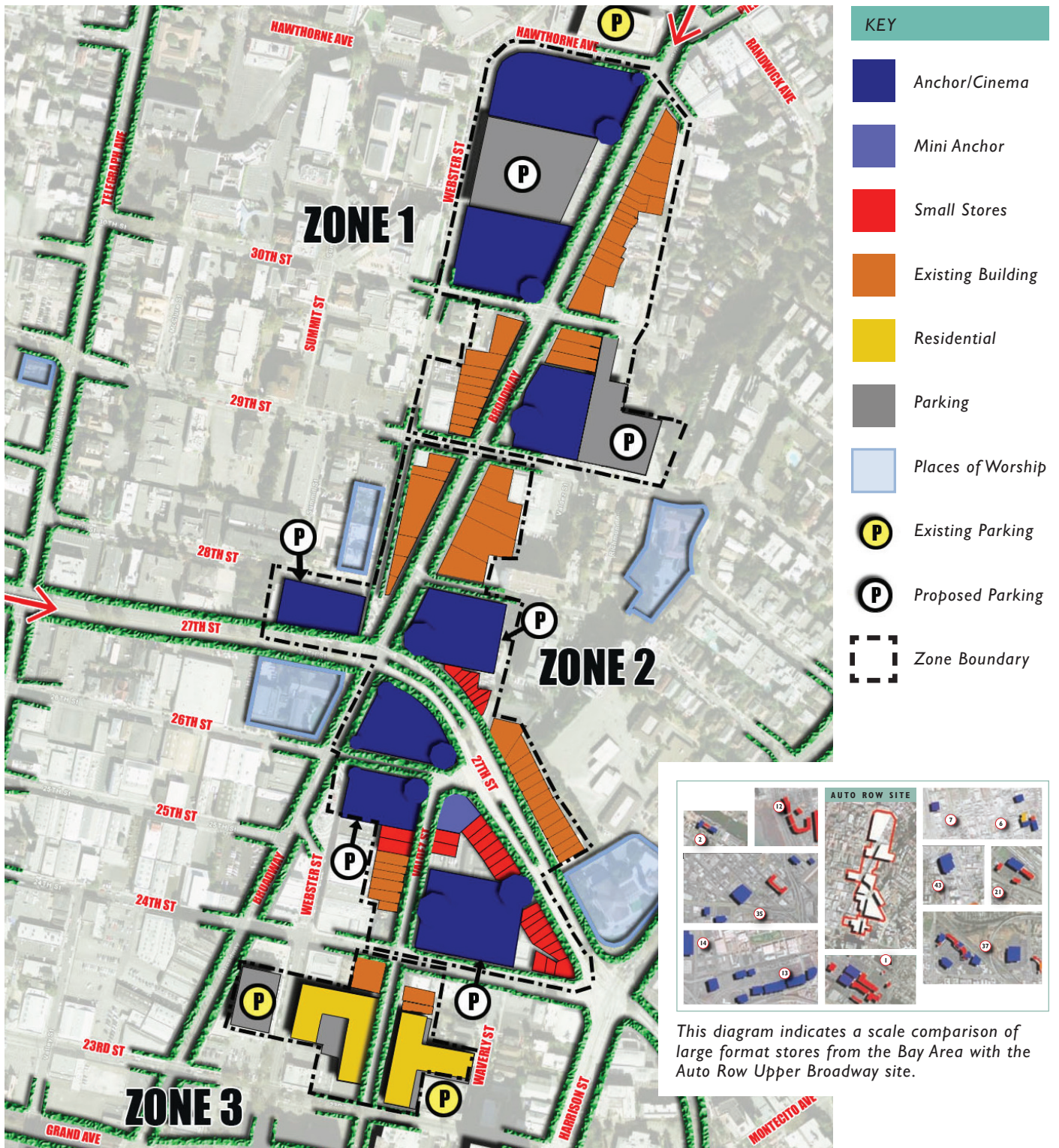
**Existing parking to be confirmed and may include the use of existing parking structures which may not be fully utilized on the weekend. These include the Broadway Webster Medical Plaza on the corner of Broadway and Hawthorne St, the YMCA on Broadway, and the 180 Grand Public Parking on the corner of 23rd St and Waverly St.



UPPER BROADWAY STRATEGY

A Component of the
OAKLAND RETAIL ENHANCEMENT STRATEGY
Last Updated: September 11, 2007

Figure 4. Alternative 2 – Large Format Stores



G. ALTERNATIVE 3 : MIXED USE WITH SECONDARY RETAIL

In this Alternative, the primary focus is on non-retail development, with retail accommodated on the ground floor of buildings constructed for another use, illustrated here as residential. It is assumed in this Alternative that the needs of anchor and mini-anchor tenants can not be met; all of the retail is small shop space. The nature of this retail is likely to be primarily convenience and food and beverage outlets, and with a strong representation of service businesses catering to the residents. As such the market potential of the space must be carefully tested in the next phase, before the amount of space identified here as physically possible can be deemed feasible to develop. Within this Alternative there are three Combinations, as follows:

Table 12. Alternative 3

Combination*	Zones Developed	Anchor Stores (2 Story)	Mini Anchors (2 Story)	Small Shop Space (1 Story)	Grand Total	Total Parking Spaces (Existing Spaces)
A	1 and 2	–	–	256,000 SF	256,000 SF	4,800 (1,000)
B	2 and 3	–	–	211,400 SF	211,400 SF	3,080 (1,000)
C	1, 2 and 3	–	–	312,000 SF	312,000 SF	5,680 (1,000)

Table 13. Alternative 3 – Area Tabulation

	Site Area	Large Anchors (50,000+ GSF)	Mini Anchors (10,000-49,999 GSF)	Small Stores (Under 10,000 GSF)	Total Retail	Parking (Spaces)	Residential Units
Zone 1							
Site 1	253,900 SF	–	–	76,500 SF	76,500 SF	1,500	700 units
Site 2	158,700 SF	–	–	24,100 SF	24,100 SF	600	350 units
Existing Parking**						500	
Total	412,600 SF	–	–	100,600 SF	100,600 SF	2,600	1,050 units
Zone 2							
Site 4	38,600 SF	–	–	9,400 SF	9,400 SF	250	110 units
Site 5	78,700 SF	–	–	28,600 SF	28,600 SF	200	110 units
Site 6	45,600 SF	–	–	40,000 SF	40,000 SF	–	85 units
Site 7	109,400 SF	–	–	22,900 SF	22,900 SF	350	85 units
Site 8	71,900 SF	–	–	54,800 SF	54,800 SF	480	400 units
Total	344,200 SF	–	–	155,700 SF	155,700 SF	1,280	790 units
Zone 3							
Site 10	67,200 SF	–	–	27,000 SF	27,000 SF	300	200 units
Site 11	52,400 SF	–	–	28,700 SF	28,700 SF	200	75 units
Existing Parking**						1,300	
Total	119,600 SF	–	–	55,700 SF	55,700 SF	1,800	275 units
Grand Tot.	876,400 SF	–	–	312,000 SF	312,000 SF	5,680	2115 units

*Combinations incorporating Zone 3 have the potential to connect to the Uptown and Lake Merritt areas, thus drawing support from and reinforcing Downtown.

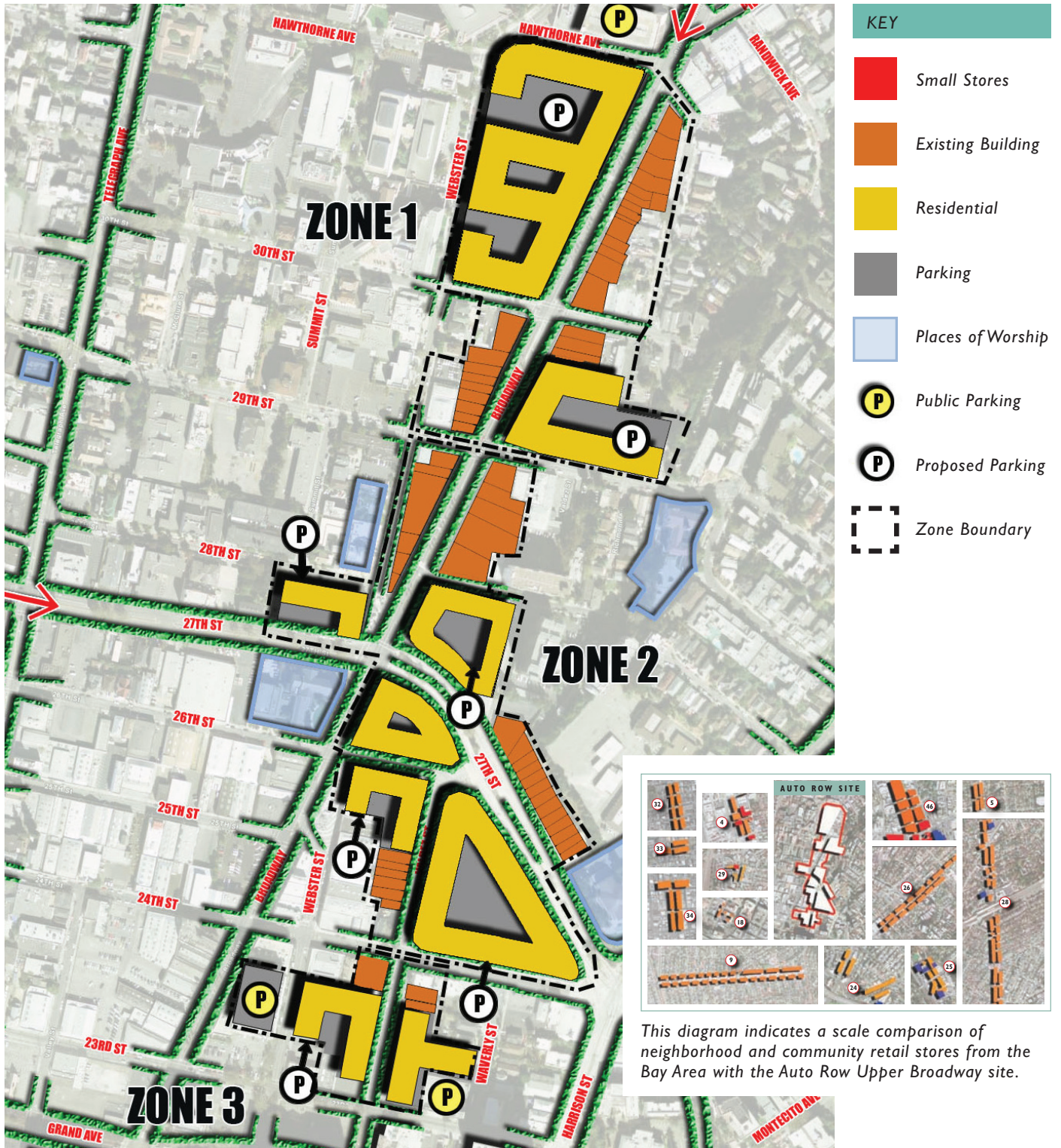
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UPPER BROADWAY STRATEGY

A Component of the
OAKLAND RETAIL ENHANCEMENT STRATEGY
Last Updated: September 11, 2007

Figure 5. Alternative 3 – Mixed Use with Secondary Retail



A. MARKET OPPORTUNITY

A site of at least ten acres in the vicinity of 27th and Broadway has the potential to support enough retail to reverse existing shopper patterns for comparison goods stores. Thus a Primary Trade Area for 27th and Broadway can be defined as the geographic area from which the residents can be expected to contribute the majority of their shopper support to a complex of comparison goods, based on the following assumptions:

- Adequate vehicular access and parking will be available, supplemented to the extent feasible by transit access. It is likely that the major, customer-attracting retail stores will require parking at about four to five spaces per thousand square feet of retail space to commit to this retail location, even if adequate transit becomes available.
- A critical mass of retail is developed with a coordinated merchandising plan with a distribution of types of stores and shopper amenities such that consumers can be confident of the types, quality, and depth of selection available.
- The tenant mix is appropriate to the preferences of the customer base. The retail complex must serve a recognizable market niche, or cluster of related niches. A popularly priced or lower end retail mix is not likely to capture support from the middle to upper end consumers who are currently poorly served in Oakland.
- Shoppers and merchants are free of concern about crime. For shoppers this means freedom from fear of crime against their persons or possessions as they enter and leave the retail environment and while shopping. For merchants this means assurance that their merchandise is secure until purchased, and their employees are secure as they travel to and from work.
- After initial development, the ongoing management of the center is performed at the highest standards, including: marketing and promotion, leasing and tenancing, security, and maintenance.

1) Primary Trade Area

The Primary Trade Area is defined in Figure 6, left. Other shoppers, both within and outside of the City of Oakland, are also likely to patronize a successful retail complex in Upper Broadway, but not as their primary shopper location. The Primary Trade Area extends from the southern border of the University campus in Berkeley to Oakland's southern boundary, and from Alameda County's eastern border to the Bay. It includes

Figure 6. Primary Trade Area Map

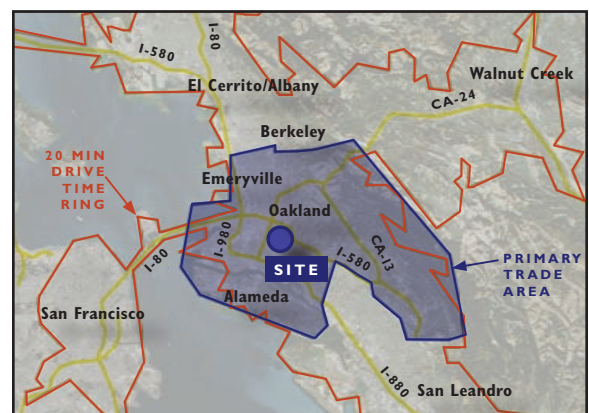


Table 14. Primary Trade Area

Population	Primary Trade Area	15 Min. Drive Time	20 Min. Drive Time
2012 Projection	400,000	830,000	1,670,000
2007 Estimate	390,000	810,000	1,640,000
Growth 2007-2012	1.8%	2.5%	2.1%
Growth 2000-2007	0.3%	1.2%	0.4%
2007 Est. Per Capita Income	\$32,000	\$30,000	\$33,000
2007 Est. Average Age	38.4	38.2	38.9
Households			
2012 Projection	170,000	335,000	670,000
2007 Estimate	160,000	325,000	660,000
Growth 2007-2012	1.5%	2.2%	1.7%
2007 Est. Avg Household Income	\$76,000	\$74,000	\$82,000
2007 Est. Avg Household Size	2.3	2.4	2.5

Source: Claritas Inc., August 2007.

Table 15. Primary Trade Area Lifestyle Profiles

Cluster Name	2006 Households	% of Households*	Oakland/ U.S. Index
Young Digerati	11,000	6%	522
Money and Brains	21,000	13%	617
Bohemian Mix	29,000	18%	994
Cosmopolitans	7,000	4%	357
American Dreams	13,000	8%	370
Urban Achievers	23,000	14%	900
Multi-Culti Mosaic	7,000	4%	257
Close-In Couples	8,000	5%	414
Upper Crust	5,000	3%	204
Blue Blood Estates	2,000	1%	139
Movers and Shakers	4,000	3%	168
Big City Blues	6,000	4%	353

Source: CCG, Claritas Inc., August 2007.

PRIZM defines Lifestyle Profiles based on clusters of demographic and buying behavior characteristics to predict consumer behavior. Forty-nine percent of the Trade Area households belong to the clusters grouped under the heading "Urban Uptown," defined as the nation's

the cities of Alameda and Piedmont in their entirety. A portion of the City of Oakland which is below MacArthur and east of Fruitvale is excluded based on the assumption that those residents will likely patronize existing retailers to the south, including the major retailers now located along the I-880 freeway, and those scheduled to be located there in the near future.

The residents of the Primary Trade Area comprise a large and potentially lucrative market for retail goods and services which could be served from a site near 27th Street and Broadway. There are about 390,000 residents in the Trade Area, who occupy over 160,000 households. These households span a broad range of incomes: 38,000 households have annual incomes at or above \$100,000, 45,000 households have yearly incomes between \$50,000 and \$100,000, and 81,000 households have incomes below \$50,000. The average household income of Trade Area residents is roughly \$76,000. Per capita income is \$32,000 per year, 25% above the California state average

Within a 15-minute drive of 27th Street and Broadway, there are an estimated 830,000 people with an average household income of nearly \$74,000, and this population is expected to grow over 2% over the next five years. Within a 20-minute drive, the population is estimated at 1,640,000 with average household incomes of \$82,000.

2) Consumer Lifestyle Profiles

Based on a combination of demographic and socio-economic factors, Claritas

*Cluster lifestyle profiles detailed in this table are only those with significant concentration in Oakland, resulting in the total percentage of households not adding to 100%.

Walnut Creek Case Study

Walnut Creek is one of the Bay Area's strongest regional-serving retail locations, with average performance in terms of rents and sales volumes higher than all other retail concentrations except for Union Square (San Francisco) and Stanford Shopping Center. Since the first phase of Broadway Shopping Center was privately developed in 1951, the City has played a strong role in guiding the future and success of its retail sector. Starting with the "Little Master Plan" in 1956, the City made decisions on how best to manage its growing retail sector, including public funding for infrastructure improvements. These improvements were the only public investments to date.

In 1996, the City developed the "East Mt. Diablo Boulevard Specific Plan" in order to ensure that the expanding Broadway Plaza retail area contributed to the ongoing vitality of the adjacent downtown retail district. Economic Feasibility testing is an important part of the City's retail development plans.

A. MARKET OPPORTUNITY (CONT.)

wealthiest urban consumers with the most sophisticated tastes. The diverse, predominantly childless group called Midtown Mix includes another 23% of Trade Area households. The primary Trade Area has three to ten times greater concentration of households in these clusters than does the nation as a whole. (See Appendix C for Cluster Profile Definitions)

3) Diversity

Like Oakland, the Trade Area is quite diverse, with a population becoming increasingly balanced between Whites, African Americans, Latinos and Asians. Diversity is spread among every neighborhood, with each group represented at every income level.

Table 16. Trade Area Diversity

	2007 Est. Population
Euro American	170,000
African American	90,000
Latino American	55,000
Asian American	85,000
Total	400,000

Source: CCG, Claritas Inc., August 2007.

4) Trade Area Residents' Spending Power

Trade Area residents have an average annual expenditure potential of nearly \$1.7 Billion for comparison goods, sold in stores such as apparel, home furnishings, and department stores; an additional \$802 Million for goods sold in supermarkets, drug stores, and other convenience retail outlets; and a total potential support for retail stores of \$4.7 Billion.

5) Trade Area Employees

The Upper Broadway Trade Area also has a large and growing employment base. Trade Area workers represent almost 250,000 households. Census 2000 data show that of the 175,000 workers who traveled to jobs in Oakland, 67,000 came from homes in Oakland. The remainder are residents of other communities, and thus represent a potential for retail sales over and above the sales supported by City residents. Oakland employees fall into some of the most attractive lifestyle clusters for retailers. Approximately 52,000 office employees work in the central Oakland area within two miles of Upper Broadway. The annual spending power of the downtown Oakland employment base is roughly \$283 Million.

Table 17. Trade Area Workforce Clusters

Cluster Name	2006 Households	% of Households*	Oakland/ U.S. Index
Young Digerati	16,000	6%	500
Money and Brains	39,000	16%	700
Bohemian Mix	37,000	15%	840
Cosmopolitans	7,000	3%	240
American Dreams	14,000	6%	220
Urban Achievers	18,000	7%	520
Multi-Culti Mosaic	7,000	3%	170
Close-In Couples	6,000	3%	280
Upper Crust	13,000	5%	340
Blue Blood Estates	3,000	1%	90
Movers and Shakers	16,000	6%	370
Big City Blues	10,000	4%	390

Source: CCG, Claritas Inc., MetaFacts, August 2007.

*Cluster lifestyle profiles detailed in this table are only those with significant concentration in Oakland, resulting in the total percentage of households not adding to 100%.

**UPPER BROADWAY STRATEGY**

A Component of the
OAKLAND RETAIL ENHANCEMENT STRATEGY
Last Updated: September 11, 2007

B. RETAIL FEASIBILITY ISSUES

Multiple methodologies were employed to test the potential development feasibility of a major retail project on Upper Broadway. These tests included:

- Retail Expert Feasibility Testing – where experienced retail developers and experts were interviewed by members of the consulting team to gather insights into key concerns and issues
- Financial Feasibility Testing – an analysis of the development and operating proforma for three illustrative alternative configurations of retail development projects in Upper Broadway on Zone 1 (see Figure 2 on page 20)
- Case Study Research – which covered 14 different examples of retail revitalization efforts in communities analogous to Oakland.

The results of these assessments are shown below.

1) Retail Expert Feasibility Test

In order to efficiently identify the key feasibility issues impacting this development opportunity, the consultant team prepared a package of materials on the project, including the site and the potential development plans, market demographics and opportunity, site acquisition costs, and the limited public funds availability. These materials were presented individually to retail experts and developers, who were asked a series of questions on the attractiveness and feasibility of the Upper Broadway retail development concepts developed by the team.

The findings of these feasibility test sessions are summarized below, in two sections: first, the lessons learned from other urban retail development projects, followed by specific recommendations for success of the Oakland project.

a. Urban Retail Lessons Learned:

- Without sufficient critical mass, unanchored retail won't capture enough market support to succeed over the long term. A southern California project was cited as an example of a center where public sector was able to "force-feed" (e.g. provide subsidies to) the key tenants but did not achieve a sufficient critical mass of retail development to make the project viable in the long run. The tenants were ultimately not able to sustain sufficient sales levels to be successful and they are now closing.
- Some apparently successful unanchored lifestyle centers (such as Santana Row, Bay Street) actually borrow from adjacent retail to achieve the required critical mass to attract customer traffic.
- For a lifestyle center, a minimum size of 200,000 SF, but preferably 400,000 SF is required, especially without adjacent anchor stores to assure customer draw.

Walnut Creek Case Study (Cont.)

Based on these plans, the City was able to forgo proposed privately sponsored developments that did not meet public retail development objectives and give approvals only to projects that were fully consistent with City goals.

City officials stress that the public commitment to specific retail development goals, and the ability to maintain those commitments over time and across election cycles, was the key to the long term success of the retail sector. Currently, the City's main concern is with managing the impacts of success: the City is considering strategies to manage parking resources more efficiently, and there is some local concern with the congestion caused by the popularity of Walnut Creek with shoppers through out the region.

Today, with a healthy retail sector that clearly demonstrates the ability to capture sales support from a large and affluent Trade Area, there is a virtual waiting list of tenants seeking any available Walnut Creek location.

Park Street Alameda Case Study

Like many other neighborhood retail districts around the country, Park Street in Alameda has experienced distinct periods of decline followed by reinvestment.

In 1998, the street was experiencing a low point in one of these cycles due to decades of disinvestment and the closure of long-term businesses. A private developer who owned an entire block in the retail district played a catalytic role in Park Street's turnaround with several high-quality renovations that attracted viable tenants like Starbucks.

During this time, the City offered a façade improvement grant program that was aggressively marketed by the Park Street Business Association (PSBA). Though the program was extremely useful for local businesses, the complicated requirements of the program kept it from being widely utilized.

Together with the PSBA, the City revised the requirements for funding, making them simpler and easier to navigate. In addition, the City also changed its procedures

B. RETAIL FEASIBILITY ISSUES (CONT.)

- Securing the anchor tenants is always a major feasibility hurdle for a comparison goods retail project. For Oakland, a cinema is a viable anchor for lifestyle retail.
- Every successful center starts with securing a key initial tenant that serves at the starting place for attracting the full spectrum of retail tenants. While this key initial tenant is usually a major anchor store, for one major Southern California shopping center a 25,000 SF houseware mini-anchor store played that role.

b. Specific Oakland Findings and Recommendations:

- Upper Broadway represents an attractive, if complex and risky development opportunity. Given a strong and lasting public commitment to the project, a site of at least ten acres in size, public assistance with providing parking, and the strong demographics, securing tenants and the necessary development expertise should be possible.
- For Oakland, the announced interest of a store like Target can serve as the key tenant, and if they come others will follow. However, keeping any key tenant committed to the project during a lengthy planning and development period will be difficult.
- Most respondents agreed that while it was easy to see how a downscale retail project could succeed, developing a mid-upper income or fashion-oriented center would entail extra risk and would thus be harder to do successfully.
- Single use retail development can not support land priced at levels in the Upper Broadway area, so a mixed use solution will be required. Land prices in the Upper Broadway area are a serious development constraint, without the ability to use redevelopment to write down land costs.
- Few developers know both how to successfully develop both destination comparison retail and large residential development. Thus, the pool of potential developers is small.
- Urban mixed use projects are complex and require extensive planning and predevelopment work. Oakland should expect a long lead time of at least five years, at minimum.

c. Experts' Recommended City Actions:

- Strong political leadership is a requirement, to demonstrate public will and to secure lasting commitments to the project, from initial entitlements through completion of development. The political commitments will have to span multiple election cycles.

**UPPER BROADWAY STRATEGY**

A Component of the
OAKLAND RETAIL ENHANCEMENT STRATEGY
Last Updated: September 11, 2007

- Retail development will need the same green light and priority that residential development had for the last administration, and the development and retail community must understand and be able to rely on that. In other Cities the mayor usually provides this leadership, but City Council members can also play this role.
- The “Specific Plan” approach is more feasible than the traditional city-led “Site Assembly” approach, given limited City financial resources.
- Prior to a developer coming on board, the City should resolve interest groups’ concerns, achieve consensus. The plan must stay in place across election cycles.
- Back-end tax increment financing from taxes generated after the project is up and operating may help defray a financial feasibility gap, but at a steep discount rate. These back-end panels are discounted at a rate similar to other rents and post construction revenues, as opposed to the more favorable rates for a public board.
- City must assist with the cost of funding customer parking at ratio of 4 to 4.5 spaces per 1,000 SF of retail.

2) Financial Feasibility Test

The consultant team prepared a financial feasibility test of the three Upper Broadway retail development concepts. Based on the alternative development programs illustrated in Table 18, below, a development proforma model was prepared to estimate development costs and

Park Street Alameda Case Study (Cont.)

for processing applications and shortened the review period from several months to two days. The new faster and simpler process helped dramatically increase the popularity of the program.

The momentum that came with the renovations and excitement about the street also helped bring several key anchors to the district, including Marketplace, an open air market with grocers, delis, bakeries and other food merchants, and a theater complex currently under construction.

Throughout this period, the PSBA made a strategic decision to adjust their marketing efforts from marketing individual stores to marketing the entire district. The group also hosts three outdoor weekend events a year, which help bring attention to the district and raise funds for promotional activities. The combination of these things helped stabilize Park Street as a regional shopping and entertainment destination.

Table 18. Alternative Upper Broadway Development Programs: Zone 1			
	Suburban Style Retail	Mixed Use with Secondary Retail	Urban Mixed Use with Major Retail
Total Land Area* (Acre)	9.5	9.5	10.4
Building Area Allocation (SF)			
Retail			
Major Anchor	—	—	262,400
Minor Anchor	—	—	94,700
Small Shops	103,150	100,600	96,200
Total Retail	103,150	100,600	453,300
Residential (Units)	—	947	834
Parking Allocation (Spaces)			
Retail Parking	490	—	2,040
Residential Parking	—	—	sp/du
Structured Parking	—	1,394	3,207
Surface Parking	490	500	500
Total	490	1,894	3,707
Revenue Generating Floor Area (GLA)	103,150	1,142,519	1,370,270

*Not all parcels in Zone 1 are used in all development schemes. Source: CCG, JRDV Architects, August 2007.

Pasadena Case Study

Like Oakland, Pasadena experienced significant economic decline particularly after World War II when it became “sandwiched” between the larger more famous city of Los Angeles and suburban retail center locations on larger parcels with lower land prices. By the 1970s, the area along Colorado Boulevard became known as the local “Skid Row”. Today Pasadena offers a blend of managed shopping centers and revitalized business blocks.

Key to Pasadena’s revitalization has been:

1. Construction of new catalyst projects.
2. Construction of parking structures to support the business district.
3. Remerchandising of existing, often historic structures.
4. Streetscape improvements mitigating a wide vehicular street.

Attempts to revitalize downtown Pasadena by making it more competitive with suburban shopping centers began in the late 1970s with the construction of Plaza Pasadena, a 700,000 SF 3-block enclosed mall at the east end of the downtown. While the mall was initially successful, its fortress-

B. RETAIL FEASIBILITY ISSUES (CONT.)

revenues, and to test the ability to support the required investment with project generated revenues. The Feasibility test explicitly tested the ability of private capital sources to fund project costs, and was designed to indicate the need, if any, for public subsidy.

Table 19. Economic Feasibility Assessment, Alternative Development Scenarios : Zone I

	Suburban Style Retail	Mixed Use with Secondary Retail	Urban Mixed Use with Major Retail
Development Program			
Site Area* (SF)	412,600	412,600	453,900
Retail (SF)	103,150	100,600	453,300
Retail Parking (spaces)	490	0	2,040**
Residential (units)	0	947	834
Residential Parking (spaces)	0	1,894	1,667
Development Costs			
Residential	0	\$411,272,125	\$381,815,775
Retail	\$27,150,000	\$30,620,000	\$125,330,000
Total	\$27,150,000	\$441,890,000	\$507,150,000
Value Created			
Residential	\$49,880,000	\$47,080,000	\$215,790,000
Retail	0	\$568,320,000	\$500,170,000
Total	\$49,880,000	\$615,400,000	\$715,960,000
Land Cost Supportable			
Value of Development	\$49,880,000	\$615,400,000	\$715,960,000
Less: Cost of Sale	(\$1,500,000)	(\$18,460,000)	(\$21,480,000)
Less: Development Costs	(\$27,150,000)	(\$441,890,000)	(\$507,150,000)
Less: Target Return on Sale	(\$5,990,000)	(\$73,850,000)	(\$85,920,000)
Available for Land Payment	\$15,240,000	\$81,200,000	\$101,410,000
Per SF Land Area	\$36.94	\$196.80	\$223.42

*Not all parcels in Zone I are used in all development schemes. **Retail parking for this alternative is assumed to be publicly funded. Source: CCG, August 2007.

The feasibility analysis solved for supportable land price, through a residual land value analysis. A negative value would indicate a need for public support, and a positive value indicates the land price that could be supported by the conceptual development projects.

The preferred development program and feasibility analysis was developed in Spring, 2007. However, it is important to note that as of late Summer 2007, real estate and financial markets and, in particular, the housing industry are in unprecedented turmoil. This analysis assumes that at the time of that the project is developed in five to seven years equilibrium has been regained. Further, while housing is used in this illustrative analysis as the upper floor use that supports land value, it is possible at the time this project is developed another upper floor use may be substituted to support land value in the mixed use development program.

**UPPER BROADWAY STRATEGY**

A Component of the
OAKLAND RETAIL ENHANCEMENT STRATEGY
Last Updated: September 11, 2007

As shown in Table 19, left, each of the conceptual projects were able to support the cost of the building improvements. However, the ability to support land prices varied between the alternatives. The suburban style retail project supported a land price far lower than the prevalent land prices in the Upper Broadway area, and both of the mixed use development projects support the land prices similar to the levels in the Upper Broadway Area.

Thus we can conclude that single use retail development in Upper Broadway is not feasible, given the existing land prices, and that the two mixed use alternatives are financially feasible, with either retail as a secondary use or with retail as a major project component. However, the urban mixed use project is a far more complex development project, and has additional feasibility barriers and risks.

One major assumption of this feasibility evaluation is that neither of the urban projects bears the cost of providing parking for the retail component. For the Mixed Use Development with secondary retail, it was assumed that the retail component of each individual building was under 10,000 SF in size, and that therefore, under current City zoning, no retail parking was required to be built. For the Urban Mixed Use project, it was assumed that the parking was publicly subsidized, and thus not a cost to the project. The cost of the retail parking in this alternative was \$50 million.

There are a variety of methods to finance parking for retail in the Upper Broadway Area (see Appendix D). A combination of parking user revenue, project-generated tax increment, and a portion of sales taxes generated by the project are the likely sources of financing. Creation of a parking management and financing plan that carefully considers the potential use of demand-based pricing is a key next step in the Upper Broadway Implementation Plan.

3) Case Study Research

The Case Studies illustrate that other communities have been able to successfully capture expenditure potential formally lost as leakage (see Appendix A). The lessons learned from these case studies include:

- Attraction of a major anchor tenant like Target can serve as the stimulus for retail in the urban core, reversing former leakage to suburban competition. The key issues are the ability to accommodate the anchor store in an urban environment given urban land prices, and store configurations for smaller urban sites. Those anchor tenants committed to operating in urban locations, like Target, are flexible in considering store layout, access, and parking solutions.
- For urban street retail districts, communities have adopted revitalization efforts ranging from physical upgrades to the retail district's environment, financial assistance to attract key tenants, marketing and promotion programs, strategic introduction of mixed use development, and providing public amenities such as parking. Successful communities have matched revitalization strategies to their specific situations; no single solution works in all situations.

Pasadena Case Study (Cont.)

like exterior did little to help revitalize the surrounding area. One Colorado was completed in 1993, developed by the The Stizel Company, and took a completely different approach. Anticipating both the emergence of the Urban Entertainment Center as well as the outdoor Lifestyle Center, the development incorporated several historic structures that were to become anchors and featured the extension of the existing outdoor pedestrian street environment.

Streetscape improvements along Colorado Boulevard showed how a wide vehicular street could still serve as the spine for a retail district. Given the success of the outdoor urban Colorado Boulevard, in 2001 Plaza Pasadena was completely overhauled by Developers Diversified and recreated into an open air 3-city block mixed use lifestyle center. Like Walnut Creek, the blend of managed urban outdoor mixed use shopping centers and revitalized business blocks has made it one of the most desirable places in California to shop.

B. RETAIL FEASIBILITY ISSUES (CONT.)

- Lifestyle centers are a new form of retail development that have successfully redirected shopper patterns to their communities. Lifestyle centers, which may or may not include anchor tenants, are generally open air as opposed to enclosed malls, and recreate the traditional pedestrian-oriented street retail environment in a concentrated form. Tenants are typically national chains, with some locally-owned stores included in the mix. There is some indication that over time unanchored lifestyle centers are more successful when developed near existing anchored retail with proven customer draw power.



UPPER BROADWAY STRATEGY

A Component of the
OAKLAND RETAIL ENHANCEMENT STRATEGY
Last Updated: September 11, 2007

Implementing the retail enhancement plan for Upper Broadway will require securing long term public commitment to the project and attracting mixed use developers with strong experience in urban retail. The basis of the implementation plan is described in the narrative below and summarized on the attached implementation action plan charts at the end of this section.

A. OPPORTUNITIES AND CONSTRAINTS

1. Opportunities

- The Upper Broadway project could play a significant role in recapturing Oakland's lost retail potential, as part of an overall retail enhancement strategy
- Auto dealership relocation provides site opportunity for critical mass of retail
- Site acquisition process simplified by concentrated land ownership
- Oakland residents and employees highly motivated to support new quality retail in a central location
- Potential to tie into existing success of Piedmont Avenue retail district
- Existing site access adequate with appropriate signage for both Oakland residents and residents of the wider Trade Area
- Site well located to serve high sales potential neighborhoods in Oakland and beyond, thus attractive to tenants
- Potential to serve adjacent medical and office employees
- Evidence of developer, investor, tenant interest
- Conceptual economic feasibility test indicates mixed use project feasible, even with limited public resources available

2. Constraints

- Market forces, without intervention, are unlikely to achieve the goals of the retail plans for Upper Broadway
- Reversing existing shopper patterns will be difficult, given the current absence of significant destination retail in the area, requires critical mass and proven customer draw
- Mixed use project is complex, potential developer pool is small
- Consensus needed: despite widespread support for retail development, there is potential public controversy for any specific development project
- The significant amount of non retail use required for financial feasibility is likely to create controversy
- Sites adjacent to residential neighborhoods, impacts must be managed and mitigated
- Extended development timeframe requires lasting political commitment, even given long term pay off
- Small site ownerships and smaller historically sensitive buildings difficult to assemble, suitable for separate development
- Public support of parking required for development feasibility, at a cost of \$50 Million

B. CRITICAL IMPLEMENTATION ACTION STEPS AND PRIORITIES

Priority I: Secure lasting public commitment to major retail development in Upper Broadway through Council action and adoption of a Specific Plan and EIR



UPPER BROADWAY STRATEGY

A Component of the
OAKLAND RETAIL ENHANCEMENT STRATEGY
 Last Updated: September 11, 2007

-
- Priority 2: Ensure the Specific Plan is based on a realistic understanding of market and financial feasibility by including feasibility assessment in the specific planning process
 - Priority 3: Ensure adequate site availability for critical mass of retail through the Specific Plan process
 - Priority 4: Ensure high quality retail development in mixed use projects in retail priority areas by adopting Design Guidelines
 - Priority 5: Resolve planning and environmental issues through a Specific Plan
 - Priority 6: Create Public Retail Parking Finance Plan, identify financing strategy and secure required resources
 - Priority 7: Solicit qualified developers to create major retail development, formal or informal RFP process based on public consensus developed in the Specific Plan

C. ORGANIZATIONAL READINESS & RESOURCE

This implementation plan requires coordination between Planning, Economic Development, Redevelopment, and Marketing staff. The existing positions are all currently budgeted in the City, but currently assigned to other duties.

- Retail recruitment will require dedicated senior leadership from the Mayor and City administrator's offices to direct senior staff and resolve policy issues
- Senior level Planning staff person for the Specific Plan and adoption of design guidelines
- Senior and mid level Economic Development staff to ensure that the Specific Plan is economically viable, and the manage the marketing and outreach efforts
- Senior and Project Manager level Redevelopment staff to manage the developer solicitation and negotiation process
- Marketing staff to build an ongoing industry awareness of the project prior to solicitation

D. RESOURCE NEEDS:

Specific Plan and EIR: \$1.0-1.25 Million (outside consultants)

2.25 FTE to manage Specific Plan process (1.125 FTE for two years)

Parking Management and Finance Plan: \$50,000-100,000 (outside consultants)

0.25 FTE

Developer Solicitation: \$25,000-50,000 (outside consultant)

0.5 FTE

Design Guidelines: \$10,000-20,000 (outside consultant)

0.25 FTE

Marketing: Attend Industry Conferences, direct outreach to developers and key tenants

0.25 FTE, for 2 years, \$25,000 (fees, travel)

E. ACTION PLAN

The action plan graphic on the following pages summarizes key elements of the project and the recommended implementation effort.

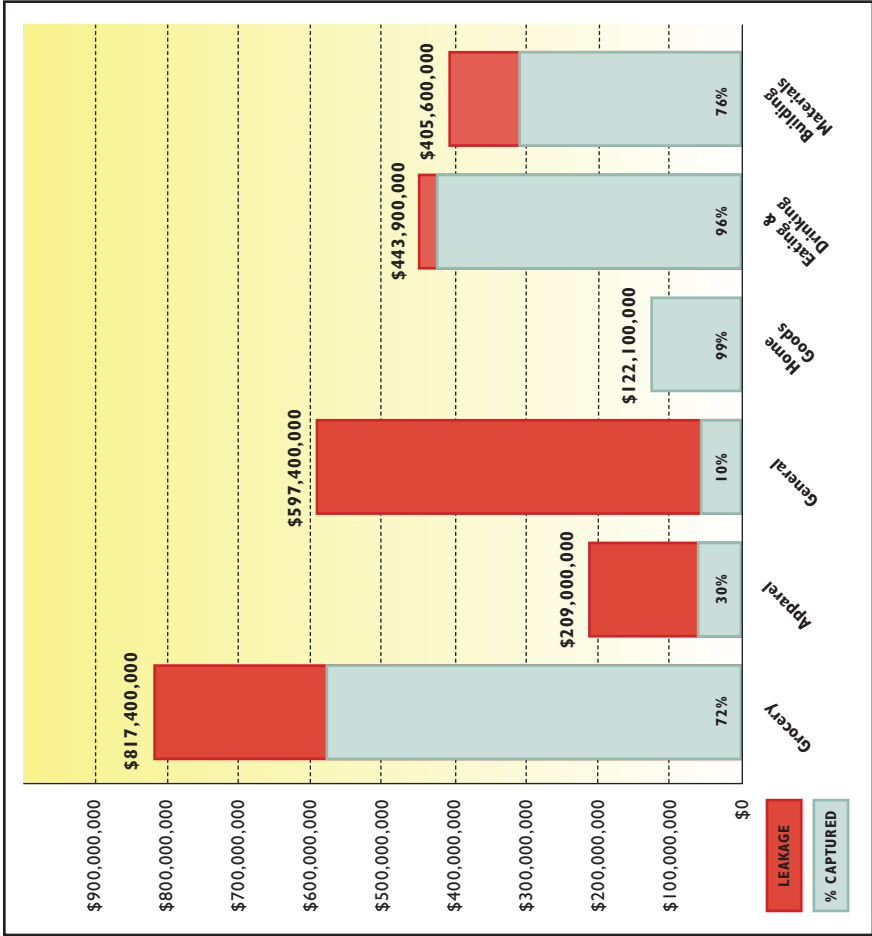
Figure 7. Primary Trade Area



Figure 8. Illustrative Site Plan



Table 20. Oakland Retail Expenditure Potential and Percentage Captured



Source: CCG, August 2007.

Table 21. Sales Performance and Sales Tax Generation

Development Program	Size (SF)	Projected Sales (2007)	Annual Sales Tax
Comparison Goods			
• Anchor 1	123,000	\$32,000,000	\$320,000
• Anchor 2	116,000	\$37,000,000	\$370,000
• Mini Anchor 1	25,000	\$15,000,000	\$150,000
• Mini Anchor 2	15,000	\$8,000,000	\$80,000
• Shop Space	148,000	\$66,600,000	\$666,000
Restaurants	18,000	\$8,100,000	\$81,000
Service Retail	5,000	\$750,000	\$7,500
Total Retail	450,000	\$167,450,000	\$1,674,500

CRITICAL ACTION STEPS

- Priority 1: Secure lasting public commitments
Priority 2: Create realistic Specific Plan
Priority 3: Maintain site availability
Priority 4: High quality retail development in mixed use projects by adopting Design Guidelines
Priority 5: Resolve planning and environmental issues
Priority 6: Create public retail parking finance plan
Priority 7: Solicit qualified developers based on public consensus developed in Specific Plan

RESOURCE NEEDS

- Specific Plan: \$1.0-1.25 Million, 1.125 FTE for two years
Parking Management & Finance Plan: \$50,000-100,000, 0.25 FTE
Developer Solicitation: \$25,000-50,000, (outside consultant), 0.5 FTE
Design Guidelines: \$10,000-20,000, 0.25 FTE
Marketing: To retail developers and key tenants, \$25,000, 0.25 FTE for 2 years

ACCOUNTABILITY/PERFORMANCE REQUIREMENTS

- Benchmark 1: Present request to adopt Specific Plan to Planning Commission
Benchmark 2: Present request to adopt Upper Broadway Retail Development Plan to Council
Benchmark 3: Planning Commission to adopt Design Guidelines
Benchmark 4: Develop Community Outreach Plan
Benchmark 5: Develop Industry Outreach Plan
Benchmark 6: Adopt Specific Plan
Benchmark 7: Develop parking management and finance plan
Benchmark 8: Contact 20-40 developers and industry experts, attend 3 industry conferences prior to issuing developer solicitation
Benchmark 9: Solicit developers to participate in OPA process

Table 22. Upper Broadway Implementation Tasks and Timeline

Task	2007/08		2008/09				2009/10				2010/11				2011/12				2012/13			
	1 Q	2 Q	1 Q	2 Q	3 Q	4 Q	1 Q	2 Q	3 Q	4 Q	1 Q	2 Q	3 Q	4 Q	1 Q	2 Q	3 Q	4 Q	1 Q	2 Q	3 Q	4 Q
Planning Commission Considers Specific Plan																						
Council Considers Upper Broadway Retail Strategy																						
Specific Plan and EIR																						
Define Specific Plan Objectives, Internal Alignment																						
Issue Consultant RFP																						
Initiate Specific Plan & EIR																						
Ensure Economic Viability																						
Public Outreach																						
Adopt Design Guidelines																						
Industry Outreach & Marketing																						
Develop Parking Management & Finance Plan																						
Developer Solicitation																						
Developer Negotiations																						
Predevelopment Activities																						
Start of Construction																						

INTRODUCTION

This document summarizes 13 case studies of retail revitalization in communities analogous to retail districts in Oakland. In an effort to find the most appropriate case studies for retail revitalization in Oakland, Strategic Economics investigated 13 brief case studies of retail development. The case studies are organized in three topic areas; Target stores in urban locations, street retail or neighborhood business district revitalization, and Lifestyle Centers with and without department store anchors. Factors considered in selecting these case study projects included trade area demographic characteristics, available lot or required parcel size, scale of the project (square feet of retail), financing method, land assembly required, tenant mix and involvement by the local jurisdiction.

Target Stores in Urban Locations

- Brooklyn, NY
- University Heights, OH
- Peterson Heights, Chicago, IL
- Dearborn Project, Seattle, WA

Street Retail

- Washington Gateway, Boston, MA
- Little Italy, San Diego, CA
- Salvio Pacheco Square, Concord, CA
- Park Street, Alameda, CA

Lifestyle Centers

- Americana at Brand, Glendale, CA
- The Grove, Los Angeles, CA
- Paseo Colorado, Pasadena, CA
- West Hollywood Gateway, West Hollywood, CA

I. TARGET STORES IN URBAN LOCATIONS

Big-box stores like Target, typically located in suburban areas, have large footprints to accommodate both the 50,000+ square foot store and adequate parking. Lots large enough to accommodate these stores are usually not available in urban areas such as Oakland. As big-box retailers have started to become aware of buying power in urban markets, they have created urban format stores to fit on smaller lots and blend into the urban framework. Urban format stores typically have two or more stories, underground parking garages and are constructed up to the sidewalk or lot line.

Atlantic Terminal Mall – Brooklyn, New York

The Atlantic Terminal Target was built in 2004 in Brooklyn, New York. The 24-acre site houses a large five-story commercial complex atop the newly renovated Long Island Rail Road Terminal and does not provide on-site customer parking. The complex and terminal have pedestrian connections to ten subway lines. Target occupies floors two through four of the



UPPER BROADWAY STRATEGY

A Component of the
OAKLAND RETAIL ENHANCEMENT STRATEGY
Last Updated: September 11, 2007

commercial complex and makes up 194,000 of the complex's 373,000 SF of retail space. Target is co-located with a number of retailers including Designer Shoe Warehouse, Daffy's, Bath & Body Works, Verizon, Rockaway Bedding, Carver Savings, Starbucks and McDonald's. Atlantic Terminal houses 470,000 SF of office space in a ten-story tower occupied by the Bank of New York. Atlantic Terminal is located adjacent to the Atlantic Center Shopping Center constructed in 1996. The office tower was constructed with the help of \$114 Million in Liberty Bonds¹ given to fund reconstruction post September 11th, 2001, a \$37.5 Million grant from the World Trade Center Job Creation and Retention Program and up to \$2 Million in sales tax exemptions after the Bank of New York was displaced following the events of September 11th.



University Square – University Heights, OH

University Square is located outside Cleveland, Ohio in the nearby suburb of University Heights. University Square is in close proximity to John Carroll University and was developed in 2003 by Starwood Wasserman. University Heights is one of Cleveland's most affluent inner-suburbs.



There are 53,195 households with an average household income of \$79,959 within the Square's three-mile trade area. The shopping center is located on a 13 acre site and contains a total of 600,000 SF of retail space. The development provides 2,500 spaces of structured parking. Target is one of the center's three anchors along with Kaufmann's and Top's Friendly Food Market. The Target is a two-story, 165,000 SF store. A \$21 Million tax increment bond sponsored by Cuyahoga County financed the parking structure. The bond is specifically aimed at inducing redevelopment in inner-suburban areas.

Peterson Avenue – North side Chicago, Illinois

Target built its sixth store in the U.S. on Peterson Avenue in the Rogers Park neighborhood of Chicago's north side. The two-story target is located on a 6.4 acre site and is built up to the sidewalk. The store's first floor is covered parking with retail space above. The Target store has a total of 160,000 SF of retail space on the second floor and 503 enclosed parking spaces on the first floor. The project was developed by Target Corporation for \$42.5 Million and received \$4.6 Million in TIF subsidies from the City of Chicago. Chicago's Peterson Avenue location is the country's first LEED certified Target store. The store has a green roof

¹ Businesses located in lower Manhattan before September 11, 2001 are eligible to receive Liberty Bonds to aid in reconstruction and relocation in New York City.

that covers 50% of the building's total roof area, which was required to install as a condition of receiving financial assistance from the city of Chicago. According to Chicago's building code, all new commercial buildings within designated zones are required to have 75% green roof coverage unless the building is LEED certified. The green roof coverage requirement is reduced to 50%, as in the case of the Peterson Avenue Target, when the building is LEED certified. Rogers Park has a total population of 62,008 and is a diverse neighborhood that is roughly 30% African American, 39% Caucasian, 21% Hispanic and 5% Asian and another race respectively. The three mile trade area has a population of 442,694 with a per capita income of \$24,736.

Dearborn Project Target- Seattle, Washington

Seattle's Dearborn project will be located at the intersection of Rainier Avenue and Weller Street bordering Seattle's international district. In the project's three mile trade area there are 150,761 people. The population is 58% Caucasian, 17% African-American and 16% Asian. The per capita income in the trade area is \$35,443. The plans show a mixed use development anchored by an urban format Target, Lowes and Goodwill for a total of 750,000 SF including 600,000 SF of retail. In addition to the three anchors, the development will include small-format retail stores, between 2,000 and 2,300 underground parking spaces and between 500 and 600 residential units. One hundred residential units are reserved for low-income seniors and another 100 units are reserved for workforce housing. Target will occupy two floors of a six-floor structure with parking below and housing above.



Darrell Vange of TRF Pacific LLC, whose local partner is Ravenhurst Development, is developing the project in partnership with the Seattle Housing Authority. The project is sited on the existing 10 acre Goodwill site that has been sold to Ravenhurst Development. Target agreed to locate in the development without an incentive package and with significantly reduced parking ratios due to the company's desire to find an inner-city location. While the project still awaits approval, the site is readily available for redevelopment with the condition that the City must rezone the land to support neighborhood commercial uses.

The Dearborn project is partially financed by the federal New Market Tax Credit available through the Seattle Housing Authority. The tax credit program provides financing for commercial properties in distressed locations.

II. STREET RETAIL

Street retail is the type of retail found in neighborhood shopping districts. They usually contain a mix of chain and local merchants carrying predominantly neighborhood-serving goods. Street retail districts vary in size depending on the population within the trade area and building types range from single story commercial buildings to several story mixed-use buildings.

Washington Gateway Main Street - Boston, Massachusetts

Washington Gateway exemplifies neighborhood revitalization following the National Trust for Historic Preservation Main Street model of incremental change with sensitivity to historic structures and community organizing. Washington Street is a traditional business district in the South End and Lower Roxbury neighborhoods of Boston that experienced extensive urban renewal in the 1960's and 70's. In 1997, the street won a Main Street designation and a non-profit, Washington Gateway Main Street, was established to facilitate new development on vacant sites, create design guidelines, streetscape improvement, traffic and parking plans. WGMS's approach to redevelopment was governed by a strong desire to maintain the racial and economic diversity of the area. WGMS aided in the protection of Don Quijote Market, an existing business that served low-income and minority residents, by helping the owner get a long-term lease from the Boston Housing Authority and financing and technical assistance for expansion through the Boston Local Development Corporation. Additionally, WGMS gave the market a façade grant. WGMS also saw to it that 1,094 (63%) of the 1,734 new housing units constructed since 1997 were affordable. Washington Gateway offers an example of a neighborhood transformation that combined emphasis on historic preservation, neighborhood design and social equity to create an economically vibrant place.



Little Italy - San Diego, California

San Diego's Little Italy district offers an example of the revitalization of an ethnic neighborhood and the role that Business Improvement Districts (BIDs) can play in neighborhood turnaround. Like Washington Gateway, Little Italy managed to retain the ethnic grocers and restaurants that made it unique, while simultaneously attracting new commercial enterprises and residents to the neighborhood. Likewise, development plans in Little Italy struck a balance between restoring historic Victorian homes and paving the way for new construction and infill opportunities that would provide the necessary density to



create a cohesive and vibrant neighborhood. Between 2001 and 2005, 2,000 condominiums and apartments were added in the district and an additional 1,300 are planned. BID revenues allowed retailers to invest in streetscape and signage investments. The program worked so well that retailers then agreed to create a Maintenance Assessment District that covers district-wide maintenance, security and personnel expenses.

Salvio Pacheco Square - Concord, California

Salvio Pacheco Square is one component of the City of Concord's effort to knit together its sprawling downtown. The site, located near a BART station, creates both a vibrant retail and office district and a residential transit village. The goal for the redevelopment of this area was to enhance the existing retail district and encourage high- and medium-density residential development in the area near the BART station. Starting in 1994, the City contributed private funds to renovate the adjacent historic Todos Santos Plaza and in 1997 the Brendan Theater, a key anchor, was added. In addition to these physical redevelopment efforts, the City also embarked on a new marketing strategy for the downtown district that includes hosting weekly music festivals, farmers markets and other events in the square as well as educating retailers about the demographics and buying power of Concord residents. These efforts helped the property owner of Salvio Pacheco Square see the potential of the property and



ultimately resulted in an agreement between the property owner and the redevelopment agency to jointly fund streetscape improvements for the square. The property owner also hired a property management company specializing in downtown retail to advise on façade improvements and create a re-tenanting strategy. These efforts helped to solidify and reinvigorate the area's retail district. High-density housing development then followed and the first significant development was built in 2003. Several other residential housing developments have followed.

Park Street - Alameda, California

Like many other neighborhood retail districts around the country, Park Street in Alameda has experienced distinct periods of decline followed by reinvestment. In 1998, the street was experiencing a low point in one of these cycles due to decades of disinvestment and the closure of long-term businesses. A private developer who owned an entire block in the retail district played a catalytic role in Park Street's turnaround with several high-quality renovations that attracted viable tenants like Starbucks. During this time, the City offered a



UPPER BROADWAY STRATEGY

A Component of the
OAKLAND RETAIL ENHANCEMENT STRATEGY
 Last Updated: September 11, 2007

façade improvement grant program that was aggressively marketed by the Park Street Business Association (PSBA). Though the program was extremely useful for local businesses, the complicated requirements of the program kept it from being widely utilized. Together with the PSBA, the City revised the requirements for funding, making them simpler and easier to navigate. In addition, the City also changed its procedures



for processing applications and shortened the review period from several months to two days. The new faster and simpler process helped dramatically increase the popularity of the program. The momentum that came with the renovations and excitement about the street also helped bring several key anchors to the district, including Marketplace, an open air market with grocers, delis, bakeries and other food merchants, and a theater complex currently under construction. Throughout this period, the PSBA made a strategic decision to adjust their marketing efforts from marketing individual stores to marketing the entire district. The group also hosts three outdoor weekend events a year, which help bring attention to the district and raise funds for promotional activities. The combination of these things helped stabilize Park Street as a regional shopping and entertainment destination.

III. LIFESTYLE CENTERS

Lifestyle centers are large format, pedestrian-oriented retail destinations. They are found in both urban and suburban locations and typically contain national retailers and restaurants. Though lifestyle centers do not typically have anchors, this term now also applies to comparison goods centers anchored by department stores. In this section we refer to both types of comparison goods retail centers. They are a recent trend in retail development and a clear departure from malls. Lifestyle centers are frequently uncovered and designed to resemble large downtown shopping streets and districts. They are considered at the forefront of retail development for their ability to attract large numbers of shoppers who want a pedestrian-friendly retail environment with national chains.

Americana at Brand - Glendale, California

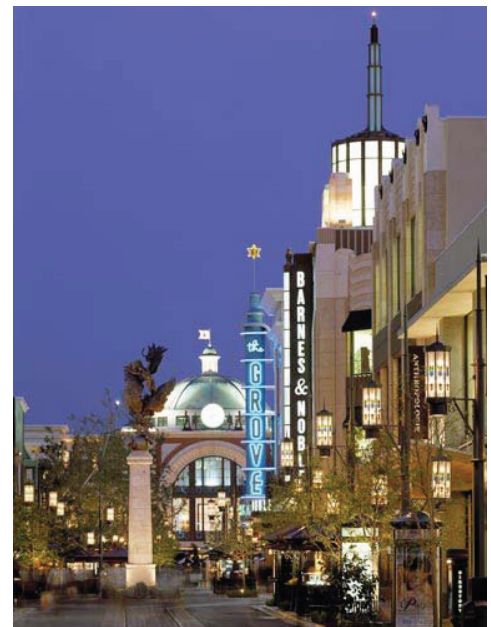
Americana at Brand is a 900,000 SF urban infill project located on a 15.5 acre site in Glendale, California. The project developer is Caruso Affiliated and it is scheduled to open in 2008. Americana at Brand is located in downtown Glendale, a diverse community with large Asian, Caucasian and multi-racial



populations. The per capita income in the three-mile trade area is \$27,007. Americana at Brand is a high-end lifestyle center anchored by the 18-screen Pacific Theatre, 238 luxury apartments and 100 condominiums. The retail component totals 475,000 square feet and includes stores such as Lucky, H&M, Urban Outfitters and Chico's. The development of Americana at Brand was made possible by active participation and financial aid given by the Glendale Redevelopment Agency. The Redevelopment Agency acquired the 15.5-acre site, paid \$500,000 to ready the site for development and contributed \$12.7 Million in project aid to the development process. The Redevelopment Agency sold 8.5 acres of the site to Caruso Affiliated, retained four acres, and leased three acres back to Caruso Affiliated. Caruso Affiliated operates the development's 2,700 public parking spaces, pays for all necessary site improvements and manages the development's open space in addition to paying for all developments not covered by the project aid.

The Grove - Los Angeles, California

The Grove is a 585,000 SF development located on a 20 acre site in mid-town Los Angeles, California. The Grove is modeled after a 1930's town district with art deco architecture and a streetcar that runs through the development. The Grove was developed by Caruso Affiliated and opened in 2004. A 14-screen theatre, Nordstrom, Crate & Barrel and a number of restaurants anchor the upscale lifestyle center. The Grove development houses 45 retailers, eight restaurants and has a 3,500-space parking garage. There are over 1 Million people in the Grove's five-mile trade area. The population is diverse with large concentrations of African-American, Asian, Caucasian and bi-racial populations. Housing in a three-mile radius is 71% renter-occupied.



Paseo Colorado - Pasadena, California



Paseo Colorado is large-scale, mixed-use, lifestyle center with 566,000 SF of retail and 391 luxury apartments located on a three-block parcel of nearly nine acres in Pasadena, California. Macy's, Pacific Theatres, Gelson's Grocery, Designer Shoe Warehouse, Loehmann's and Equinox anchor the lifestyle center with a total of 60 retailers. The population in Paseo Colorado's five-mile trade area, located in affluent Pasadena, has an average household income of \$92,636, a per capita income of \$28,531 and a population over 500,000.

Paseo Colorado's retail component was developed by and is managed by Cleveland-based Diversified Realty, while Post Properties originally developed the residential component in 2001.

West Hollywood Gateway - West Hollywood, California

The West Hollywood Gateway is a 250,000 SF retail development anchored by Target and Best Buy, located in West Hollywood, California. The development is located within a redevelopment project area. The City assembled the site, performed the environmental impact review and paid for soil remediation. In addition, the City of West Hollywood requested



\$8 Million in Section 8 loan guaranteed funds and \$2 Million in Brownfield Economic Development Initiative Funds for the project. J.H. Snyder and Company developed the project around the neighborhood's historic Formosa Café which remains a neighborhood fixture. Eighteen diverse restaurants and retailers inhabit the center including: Starbucks, Baja Fresh, Daphne's Greek Café, EB Games, Beverages and More!, Ben & Jerry's, Happy Nails, Jamba Juice, Motherhood Maternity, Pomodoro Cucina Italiana, Payless Shoes, Silver Connection, Ulta Cosmetics, Zeke's Smokehouse and Cingular Wireless. The project includes a 1,000-space, two-level underground parking garage.

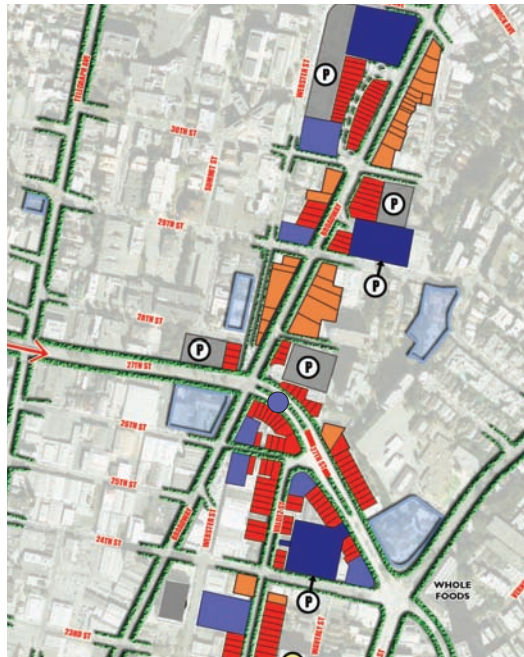
PURPOSE

The purpose of the Design Guidelines is to describe the two viable alternatives demonstrated (as none are current City policy), indicate that the development can be implemented by either single or multiple developers, define a strong pedestrian-oriented urban vision supporting retail on key designated streets, and create sufficient certainty and flexibility required to attract developers and tenants.

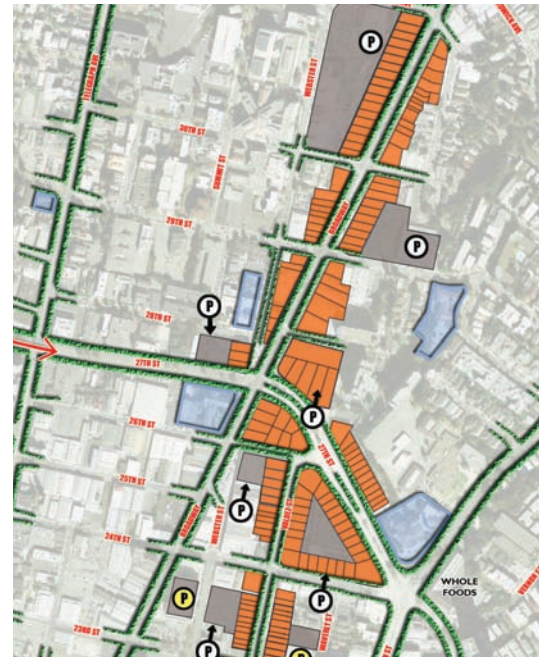
(i) Two Viable Alternatives

Based upon feedback from City of Oakland and developer pre-test presentations in May 2007, two viable alternatives are **Alternative 1 – Urban Mixed Use with Major Retail** and **Alternative 3 – Mixed Use with Secondary Retail**. These were selected as two most viable alternatives for the retail development of the Upper Broadway site.

In creating the Design Guidelines, the models of these two alternatives are being used to indicate a set of “Proposed New Minimum Design Guidelines” and “Additional Design Guidelines with **Alternative 3 – Mixed Use with Secondary Retail** underpinning the “Proposed New Minimum Design Guidelines”, and **Alternative 1 – Urban Mixed Use with Major Retail** underpinning the “Additional Design Guidelines”.



Alternative 1 – Urban Mixed Use with Major Retail underpins the “Additional Design Guidelines”.



Alternative 3 – Mixed Use with Secondary Retail underpins the “Proposed New Minimum Design Guidelines”.

(ii) Single or Multiple Developers

Both alternatives and the Design Guidelines presuppose that the development of the Upper Broadway site can be implemented by either single or multiple developers. As an example, Victoria Gardens was developed on a greenfield site in Rancho Cucamonga, CA by one

developer in staged phases. On the other hand, Walnut Creek was developed by multiple developers as land parcels became available for development, in accordance with a Specific Plan generated by the City of Walnut Creek. The Upper Broadway site can be adaptive to either development possibility, through effective guidelines set out by a Specific Plan.



Victoria Gardens – An example of mixed-use development by a single developer.



Walnut Creek – An example of mixed-use development by multiple developers.

(iii) Pedestrian-Oriented Urban Vision

The success of any urban retail development is heavily dependent upon a pedestrian-oriented urban vision. The scale of the building facades, ground level ceiling heights and widths of pedestrian thoroughfares can be singularly responsible for a pleasant urban retail experience. Effective streetscape planting resulting in natural shade can soften the pedestrian experience whilst an enhanced material treatment of sidewalk surfaces can further increase the level of pedestrian enjoyment.



Examples of mixed use development with street level retail from Munich and San Jose with a strong pedestrian-oriented urban vision.

(iv) Flexibility and Certainty

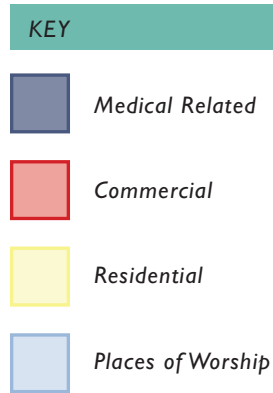
The Design Guidelines are intended to create sufficient flexibility and certainty required to attract developers and tenants. The guidelines are intended to be flexible within the following four categories: Land Use / Site Organization; Massing And Density; Articulation; and Streetscape. Each of these categories will be addressed in the following order: providing an overview of existing City of Oakland zoning and conditions; describing the “*Proposed New Minimum Design Guidelines*” requirements for **Alternative 3 – Mixed Use with Secondary Retail**; describing the “*Additional Design Guidelines*” requirements for **Alternative 1 – Urban Mixed Use with Major Retail**.

APPENDIX B : DESIGN GUIDELINES

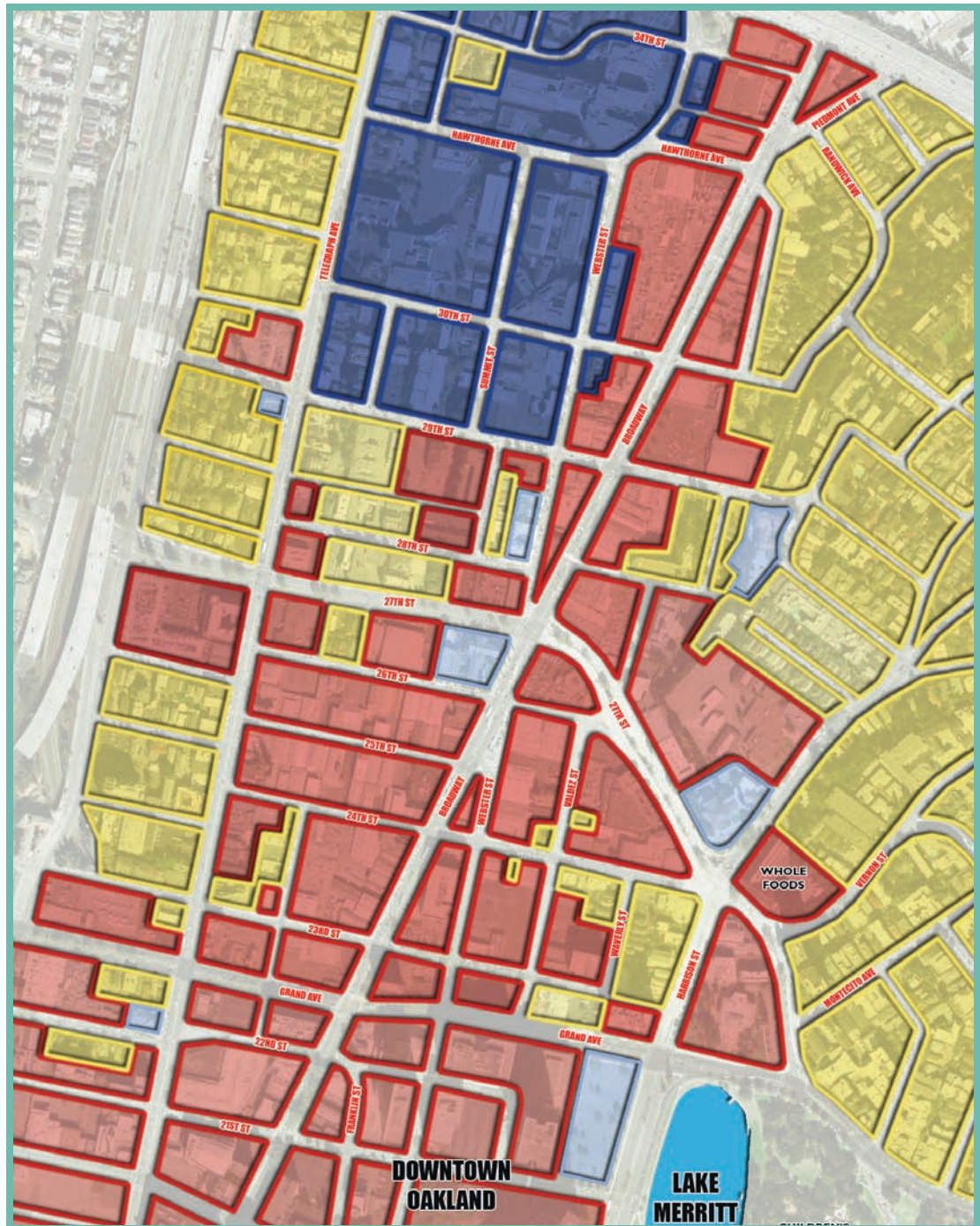
I. LAND USE / SITE ORGANIZATION

1.0 Existing Land Use

The existing land use and site organization of the Upper Broadway area shows a mix of commercial, residential, and medical uses as well as places of worship. The diagram on this page indicates commercial use is most prominent along the Broadway corridor, increasing as



This diagram represents the existing land uses of blocks within the Upper Broadway site and its immediate surrounds.



UPPER BROADWAY STRATEGY

A Component of the
OAKLAND RETAIL ENHANCEMENT STRATEGY
Last Updated: September 11, 2007



I.1 Proposed New Minimum Design Guidelines

OBJECTIVE: To ensure that new residential buildings have retail bases that will support secondary retail (i.e. neighborhood and community retail).

The Proposed New Minimum Design Guidelines are intended to promote mixed use development along key designated arterials, similar to the Broadway Grand development currently being constructed on the corner of Broadway and Grand Avenue in Oakland. Here, residential development is the primary land use with secondary supportive retail at street level to encourage an active street level with vital neighborhood and community retail.



GOOD: Broadway Grand in Oakland is an example of mixed use development meeting the proposed new minimum design guidelines requirements.

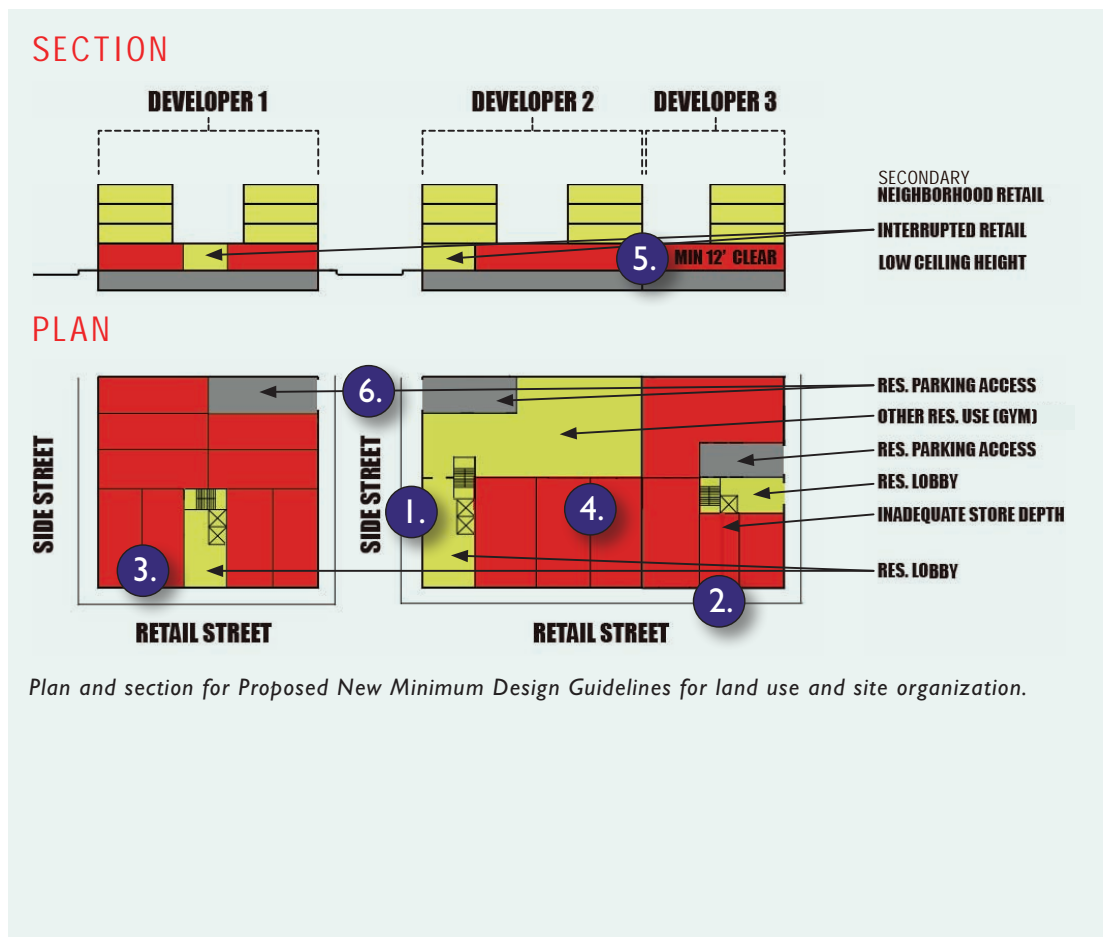
BAD: This building in Emeryville is an example of mixed-use development not meeting the proposed new minimum design guidelines requirements.

The Proposed New Minimum Design Guidelines have been structured to encourage developments achieving a land use and site organization that does not allow private residential units at street level. While residential lobbies may be permitted at building entrances oriented towards the main street, all service access must be via a side or rear entry. Furthermore, the street level retail spaces must be organized such that they are transparent, inviting and appealing to pedestrian and vehicular traffic on the main street.

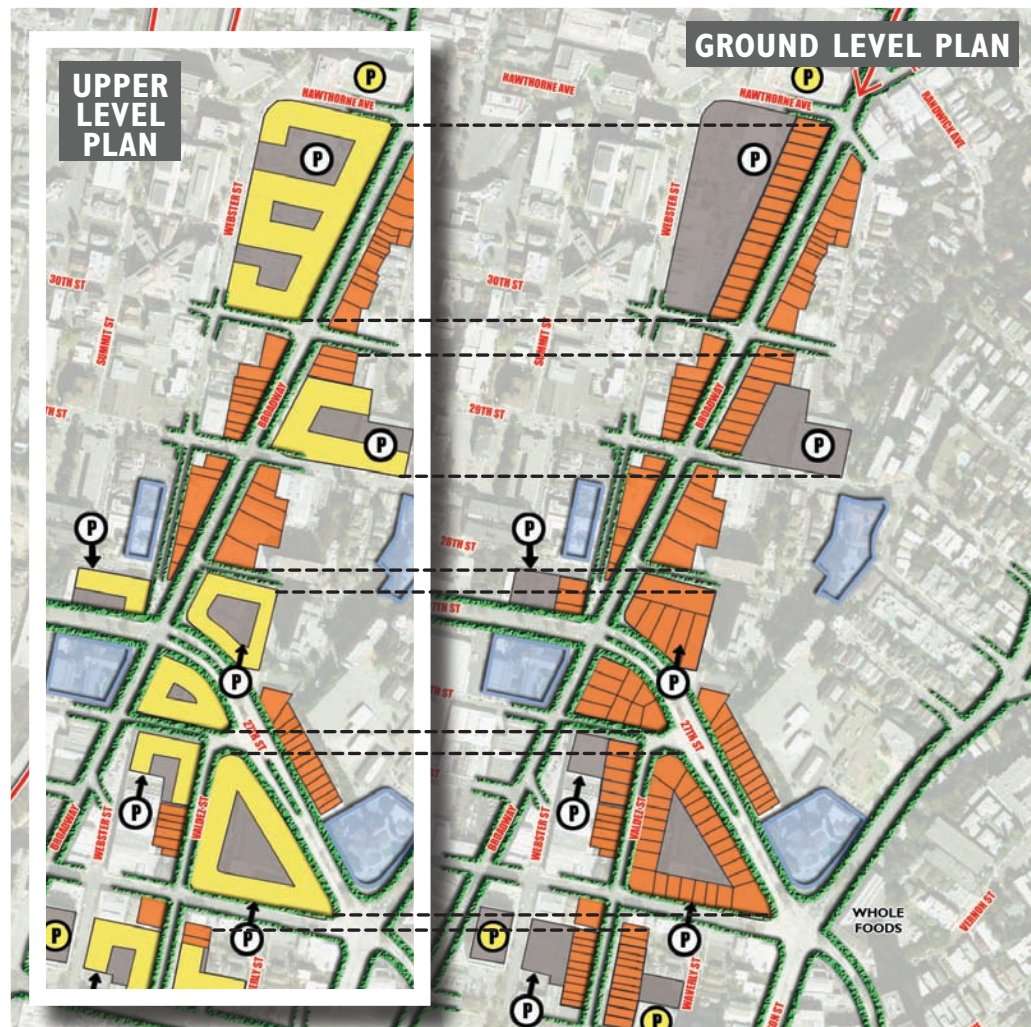
The Design Guidelines encourage development similar to Broadway Grand, with its high ground level retail ceilings and minimal interruptions to the street level retail, and to discourage development such as this example in Emeryville that has standard 9 foot street level ceilings without an active retail or commercial base.

DESIGN GUIDELINES:

1. Ensure that on key designated retail streets (including Broadway, 27th St and Valdez St), ground floor residential units are not allowed.
2. Ensure that retail entrances should be oriented towards the main streets of Broadway, 27th St and Valdez St.
3. Ensure that on key designated retail streets, retail or office land use be required between residential lobbies.
4. Ensure that on key designated retail streets, retail or office land use to be minimum of 50 feet deep and 20 feet wide.
5. Provide a minimum of 12 feet clear-finished height for ground level retail.
6. Ensure that service access be located on side streets.



This diagram represents the ground level and upper level plan meeting the Proposed New Minimum Design Guidelines requirements for the land use and site organization. There is a focus on upper level housing projects with secondary retail at ground level facing the major streets of Broadway, 27th St and Valdez St.



Ground level plan of Proposed New Minimum Design Guidelines for land use and site organization. Inset shows upper level plan with residential units built above ground level retail and parking.

1.2 Additional Design Guidelines

OBJECTIVE: To ensure that new residential buildings have retail bases that will support major retail (i.e. comparison goods lifestyle retail).

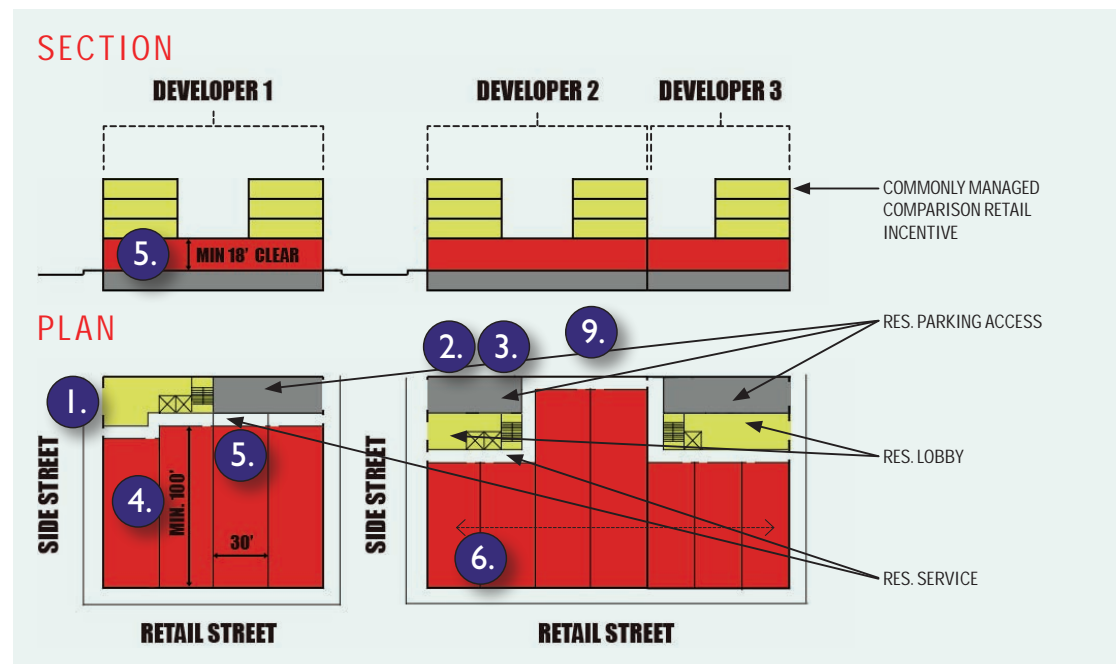
The Additional Design Guidelines are intended to extend the Proposed New Minimum and encourage retail-oriented land use and site organization with continuous comparison goods and lifestyle stores at street level and residential development above, similar to Santana Row in San Jose, CA. The Additional Design Guidelines require an increased minimum ground level ceiling height of 18 feet with no residential lobbies, service access, or parking entrances permitted along designated key retail streets.



Santana Row, San Jose – an example of successful Urban Mixed Use development with Major Retail.

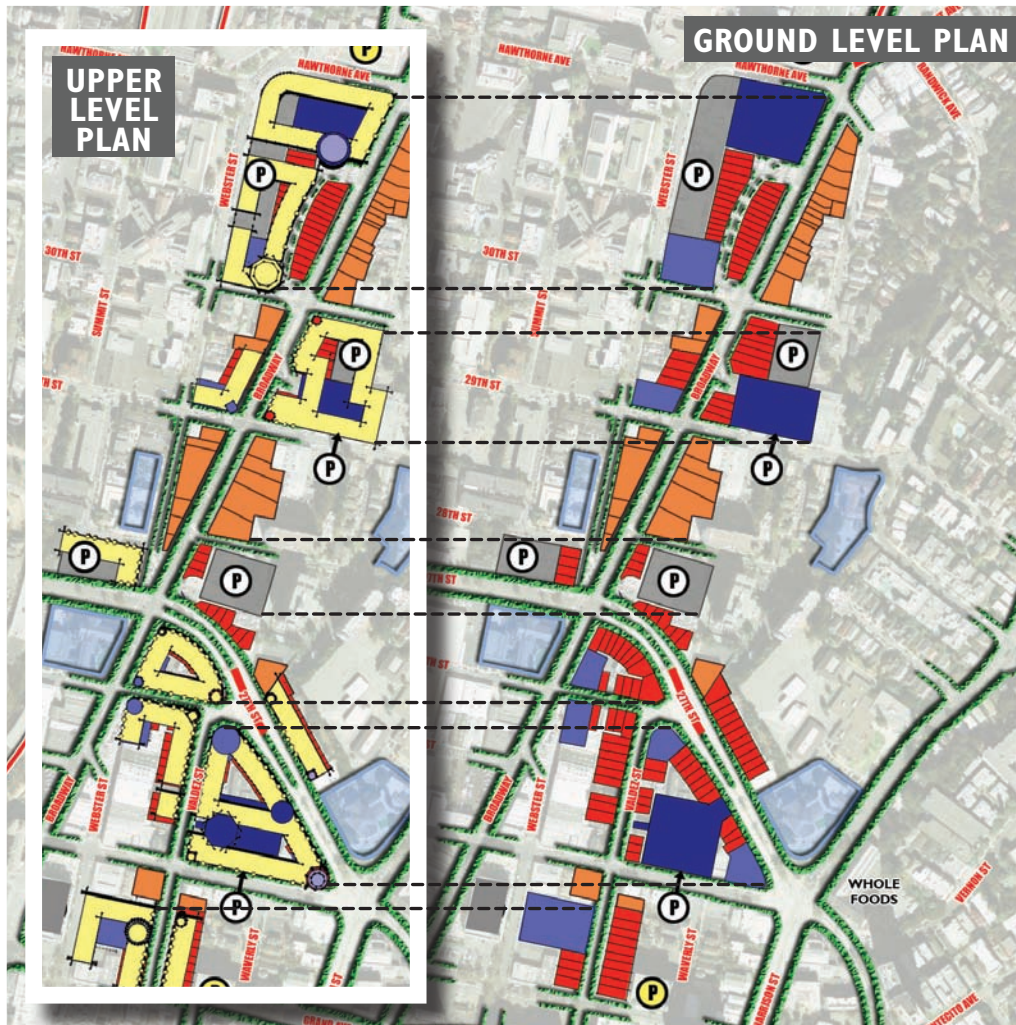
DESIGN GUIDELINES:

1. Ensure that on key designated retail streets, no residential are lobbies allowed – they must be on side streets.
2. Ensure no parking garage entrances are located on designated retail streets.
3. Ensure parking structures be located on sites not facing designated retail streets, but within a maximum of two block walking distance from retail.
4. Ensure lease depth to be a minimum of 80 feet.
5. Provide of minimum 18 feet floor-to-floor height for ground level retail and minimum of 30 feet wide storefront.
6. Ensure some lease areas area be combinable into large tenant areas by avoiding sheer walls, and change of levels.
7. Encourage two level stores where possible.
8. Encourage anchor stores on specific sites shown in plan including Broadway and Hawthorne St, Broadway and 29th St, Broadway and 27th St and Valdez and 24th St.
9. Ensure rear service access for truck loading be required for all retail tenant spaces.

**UPPER BROADWAY STRATEGY**

A Component of the
OAKLAND RETAIL ENHANCEMENT STRATEGY
Last Updated: September 11, 2007

This diagram represents the ground level and upper level plan meeting the Additional Design Guidelines requirements for the land use and site organization. There is a focus on creating comparison goods and lifestyle retail at ground level facing the major streets of Broadway, 27th St and Valdez St, with upper level residential land use.



KEY

- Big Box / Anchor
- Mini Anchor
- Small Retail
- Alternative Retail
- Parking
- Residential
(See inset)
- Places of Worship

APPENDIX B : DESIGN GUIDELINES

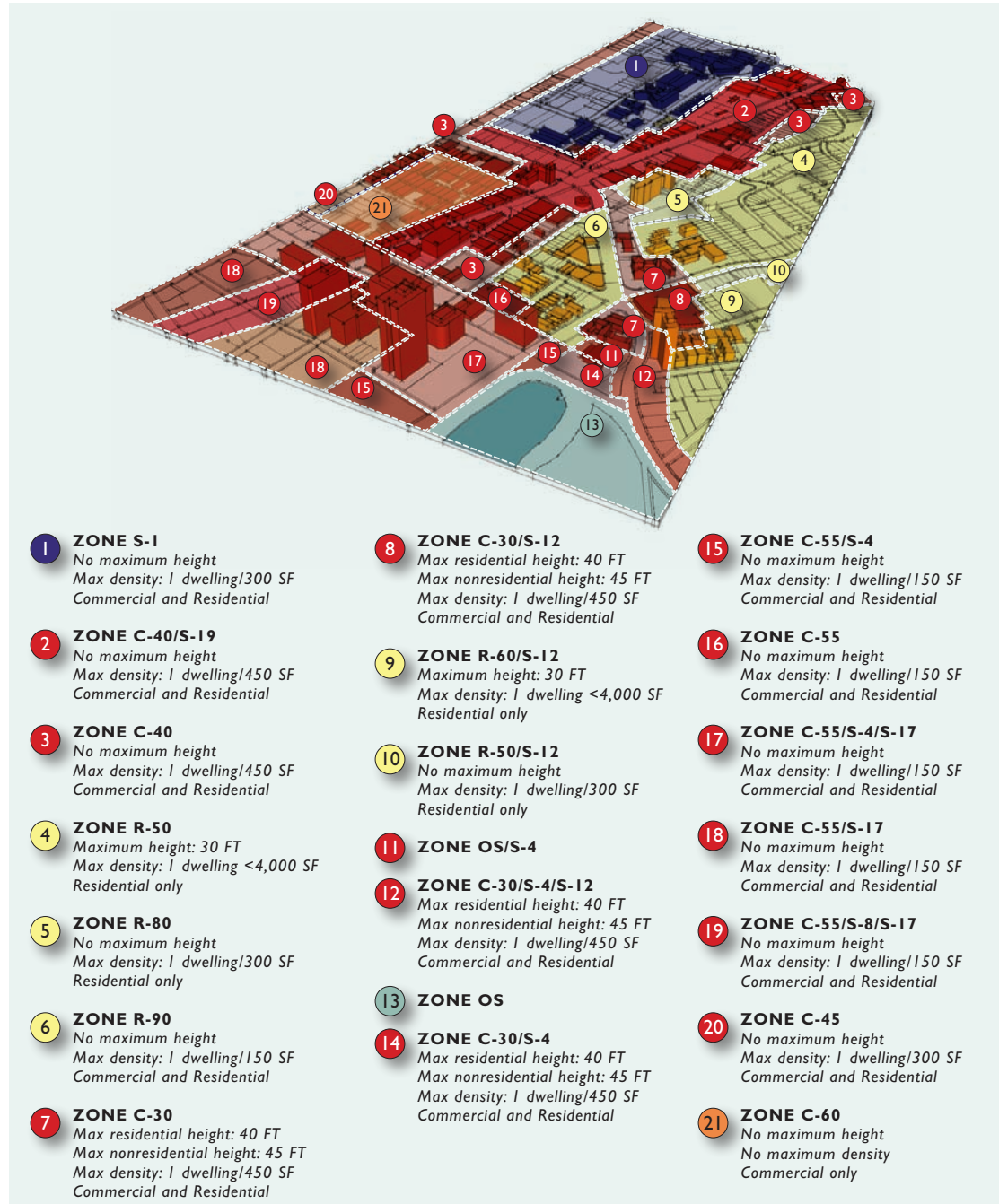
2. MASSING AND DENSITY

2.0 Existing Conditions and Zoning

The existing massing and density of the Upper Broadway area shows a mix of building heights and density across the site, in response to the City of Oakland zoning restrictions. The maximum height varies from 30 ft in Zone R-50 to no maximum height in most commercial zones. The residential density varies from 1 dwelling/450 sq ft to 1 dwelling/150 sq ft.



This diagram represents the existing City of Oakland height, density, and residential and commercial zoning within the Upper Broadway site and its immediate surrounds.



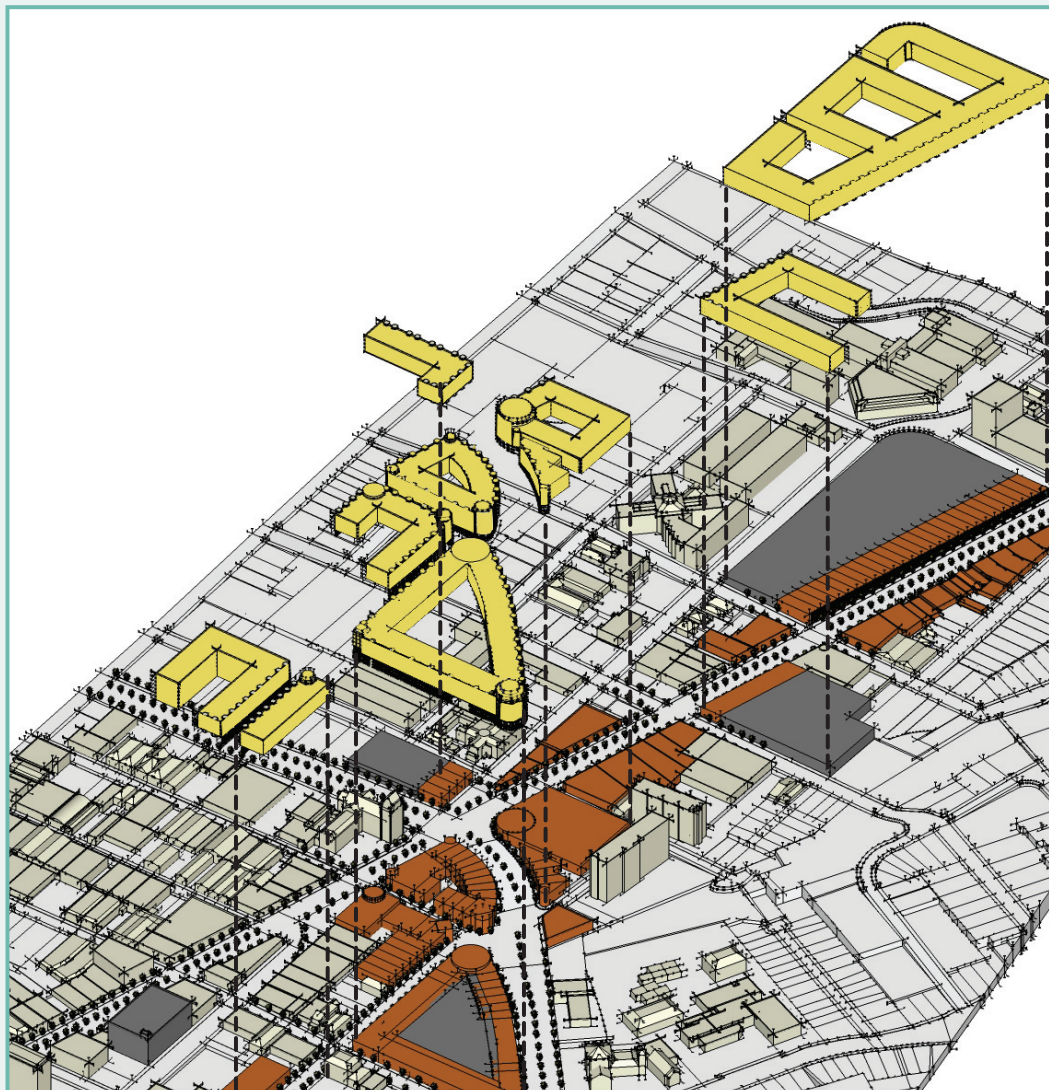
UPPER BROADWAY STRATEGY

A Component of the
OAKLAND RETAIL ENHANCEMENT STRATEGY
Last Updated: September 11, 2007

2.1 Proposed New Minimum Design Guidelines

OBJECTIVE: To ensure that mixed use development is massed to support residential with secondary retail base (i.e. neighborhood & community retail).

The current City of Oakland zoning for the Upper Broadway site is a mix of residential and commercial use, resulting in a diverse mix of massing and density across the site. The Proposed New Minimum Design Guidelines are intended to streamline this massing and density so as to viably support a mixed use development with secondary retail.



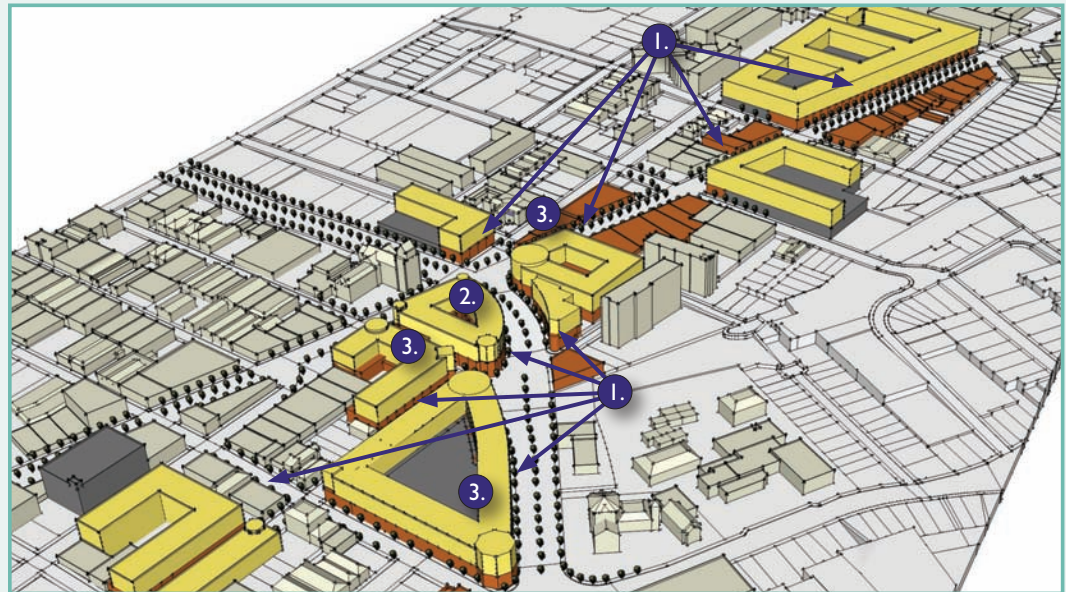
KEY

- Commercial Base
- Residential
- Parking Facilities

This diagram represents an exploded view of ground level secondary retail massing and upper level residential massing.

DESIGN GUIDELINES:

1. Provide continuous retail frontage with maximum 5 feet setback from property line of designated key retail streets.
2. Encourage major retail entrances to be specially massed.
3. Encourage special treatment of major corners particularly at Broadway and 27th, 27th and Valdez, and 27th and Harrison.

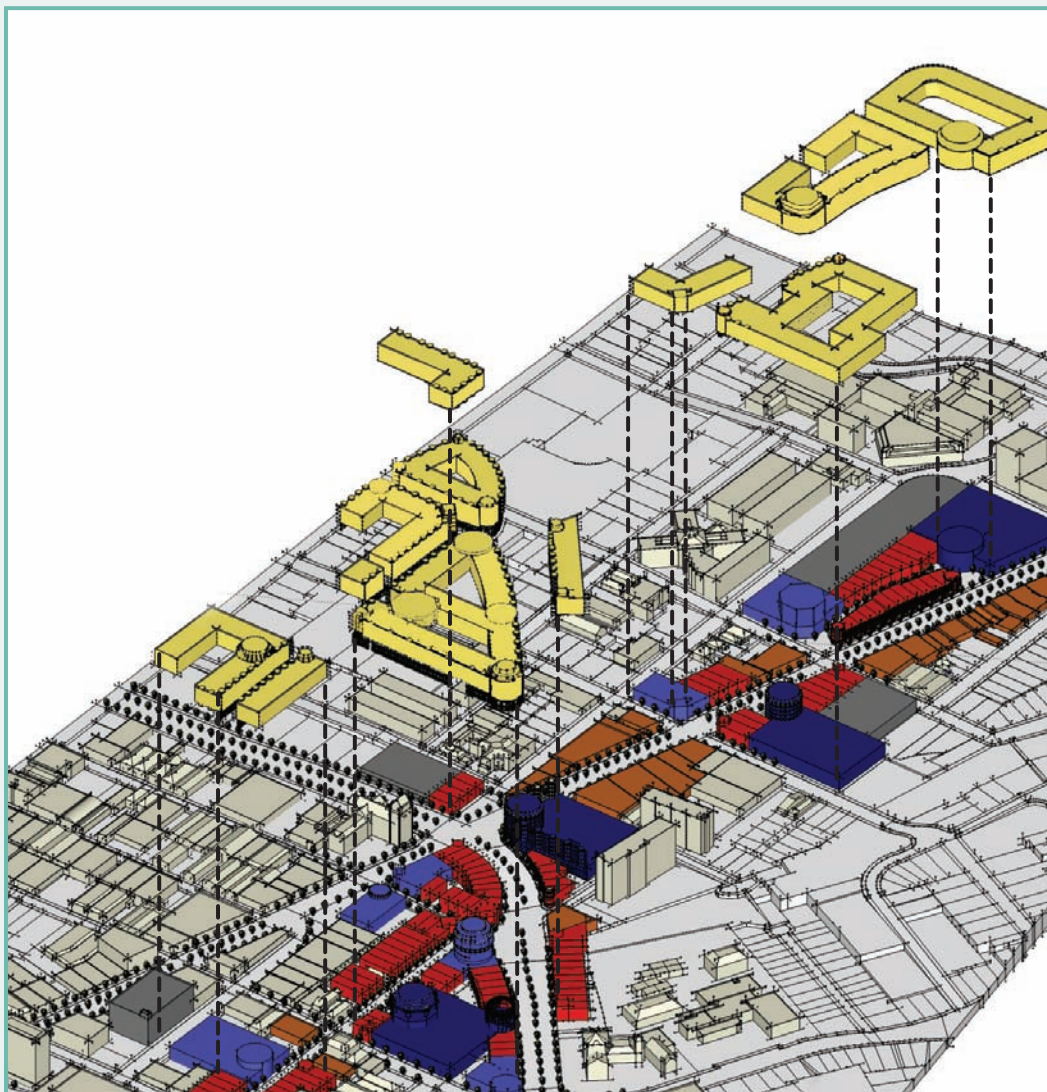


This diagram represents the 3D perspective of massing and density for Proposed New Minimum Design Guidelines.

2.2 Additional Design Guidelines

OBJECTIVE: To ensure that mixed use development is massed to support residential with major retail base (i.e. comparison goods lifestyle retail).

The Additional Design Guidelines for massing and density facilitate an opportunity for combined lease spaces with special massing at key entrances, as well as the opportunity for additional internal pedestrian walkways to maximize ground level retail sites.



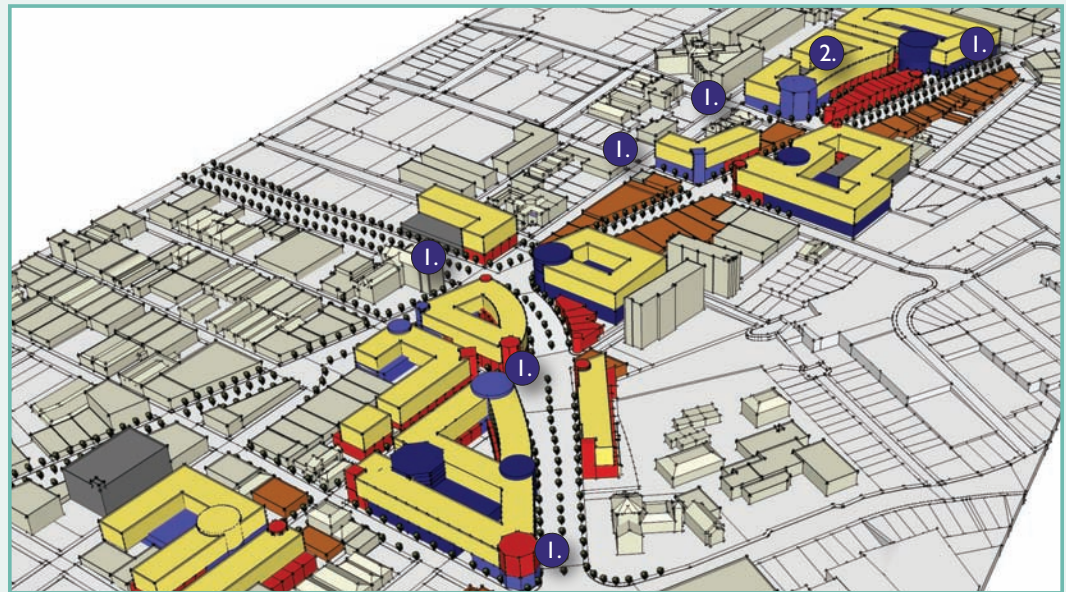
KEY

- Big Box / Anchor
- Mini Anchor
- Small Retail
- Alternative Retail
- Parking
- Residential (See inset)

This diagram represents an exploded view of ground level major retail and upper level residential.

DESIGN GUIDELINES:

1. Ensure lease spaces which can be combined into large spaces have major entrances massed at key designated locations including Broadway/Hawthorne Ave, Broadway/30th St, Broadway/29th St, Broadway/27th St, 27th St/Valdez St and 27th/Harrison St.
2. Encourage internal secondary retail pedestrian way where pedestrian circulation can be made to be “anchored” at each end.



This diagram represents a 3D perspective of massing and density for Additional Design Guidelines.

APPENDIX B : DESIGN GUIDELINES

3. ARTICULATION

3.0 Existing Historical Resources

There are a number of existing historical resources within the Upper Broadway site that must be identified and retained as required to preserve the historical character of the site. Additionally, these existing historical resources may be referenced when determining the articulation of the new mixed use development.



Examples of existing historically significant buildings on the east side of Upper Broadway.



Examples of existing historically significant buildings on the west side of Upper Broadway.

3.1 Proposed New Minimum Design Guidelines

OBJECTIVE: To ensure that mixed use development is articulated to support residential with secondary retail base (i.e. neighborhood & community retail).

The Proposed New Minimum Design Guidelines are intended to encourage a mixed use development that is compatible and complementary to the existing historical resources, whilst providing a retail base that is architecturally different from the upper level residential.

The street level storefronts must be transparent, inviting and appealing to pedestrian and vehicular traffic with signage and awnings incorporated to provide variation across the facades. The guidelines require the use of high quality materials and architectural elements that promote a vital neighbourhood and community retail.

The Proposed New Minimum Design Guidelines are intended to be sufficiently flexible in terms of articulation to result in stylistically different and varied interpretations of the guidelines. Below are several examples of architecturally different developments that meet the criteria of the Proposed New Minimum articulation guidelines.



An example of mixed use development meeting Proposed New Minimum Design Guidelines at Broadway Grand, Oakland.



An example of mixed use development meeting Proposed New Minimum Design Guidelines in downtown Berkeley.

DESIGN GUIDELINES:

1. Encourage all new building designs to incorporate or be compatible with existing historical resources to be preserved.
2. Provide strong retail base architecturally differentiated from upper portion of building.
3. Provide designated area for retail signage according to city signage standards.
4. Provide storefront design suitable for retail.
5. Encourage parking entrances to be minimized so as not to disrupt secondary neighborhood and community retail.
6. Encourage ground floor spaces to achieve 80% transparency.
7. Encourage the use of clear, untinted glass on retail base.
8. Encourage building bases to be of good quality materials, such as stone, tile, masonry, brick and terra cotta.
9. Encourage awnings and signage to be incorporated into storefronts to provide shade and variation.
10. Encourage facades to be varied and incorporate architectural elements such as moldings and cornices, with recessed and varied fenestration to create visual interest.



3.2 Additional Design Guidelines

OBJECTIVE: To ensure that mixed use development is articulated to support residential with major retail base (i.e. comparison goods lifestyle retail).

The Additional Design Guidelines for articulation build upon the Proposed New Minimum Design Guidelines to promote a more engaging and active urban mixed use development. There is an opportunity for a cohesive architectural “theme” across the Upper Broadway development site, through which the street level retail is able to flourish as a dramatic, expressive, and memorable retail experience. The transparency of the retail base must be maximized with a required minimum of one show window per store, plus the use of high quality materials such as stone, tile, masonry, brick and terra cotta must be evident at the retail base.

The diversity of architectural facades, use of high quality materials on the retail base, and cohesive “theme” is exemplified at Santana Row in San Jose. Continuous street level retail and individual architectural expression are coupled to create a dramatic and popular urban mixed use development.



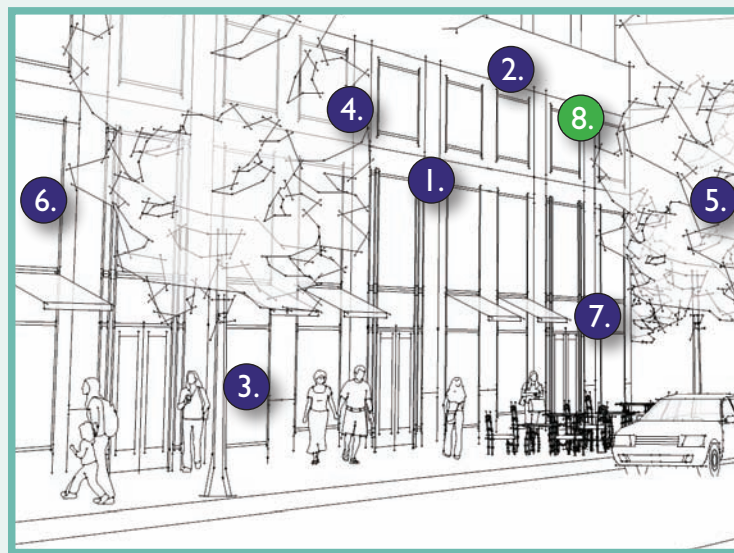
Santana Row, San Jose – An example of mixed use development meeting Additional Design Guidelines.

DESIGN GUIDELINES:

1. Ensure the architectural style of all buildings shall support the designated “design theme” for major retail incorporating comparison goods and lifestyle.
2. Encourage a dramatic ground floor base as suitable for major tenants.
3. Ensure each store front has a minimum of one large show window.
4. Provide designated area for retail signage according to special signage standards of this project.
5. Ensure parking entrances are not allowed on designated retail streets.
6. Ensure ground floor spaces should achieve 80% transparency.
7. Ensure building facade above retail base makes use of high quality materials, such as stone, tile, masonry, brick and terra cotta.

OPTIONAL:

8. Require minimum LEED Silver certification for all new buildings as part of the first green retail center in the Bay Area.



APPENDIX B : DESIGN GUIDELINES

4. STREETScape

4.0 Existing Conditions

The existing streetscape of Upper Broadway features a wide street with two vehicular lanes in each direction, one lane of parking in each direction, a bike lane in each direction and a median strip. The median strip has been enhanced with planting and street banners, however the sidewalk enhancement has been minimal. This streetscaping is catered primarily towards the vehicle, rather than the pedestrian.

The other primary arterials within the site, 27th St and Valdez St, also have two lanes of vehicular traffic in each direction, plus one lane of parking in each direction. 27th St has a wide median, however Valdez St does not. Neither street has provisions for bike lanes, nor is there a focus on sidewalk enhancement for pedestrian usage.

Below are examples of key intersections along Broadway, indicating sections of the streetscape. The vehicular orientation of the streetscape is rapidly apparent.



Examples of the existing Upper Broadway streetscape.

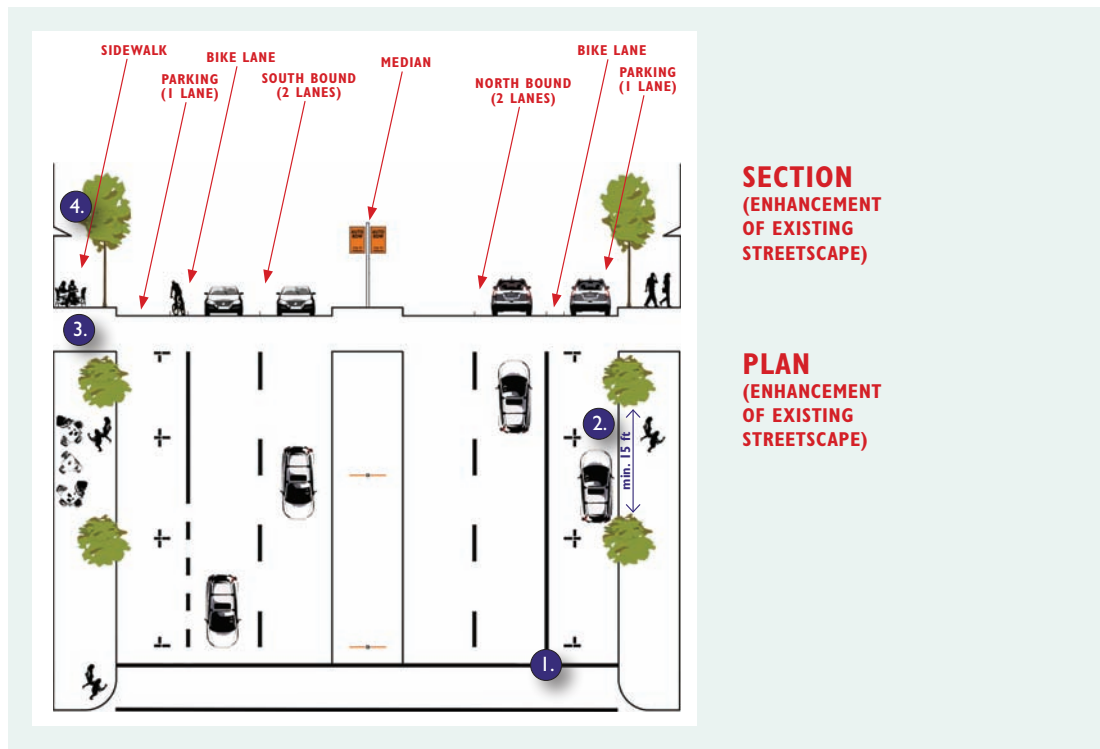
4.1 Proposed New Minimum Design Guidelines

OBJECTIVE: Enhance existing mitigation of wide street and ensure that new residential buildings are connected by a pedestrian-oriented streetscape so as to support secondary retail base (i.e. neighborhood and community retail).

The Proposed New Minimum streetscape guidelines recommend making use of the existing road infrastructure and upgrading the existing streetscape through the material enhancement of the sidewalk, with additional plantings and larger street banners. The encouragement of street cafes is promoted to create an active and engaging street edge.

DESIGN GUIDELINES:

1. Maintain existing curb, vehicular lanes and median while enhancing sidewalk material treatment.
2. Enhance existing street planting with open street trees at least 15 feet apart whose canopies are above ground level storefronts for maximum store and signage visibility.
3. Encourage sidewalk cafes where space is available.
4. Encourage storefront awnings in a variety of colors along key designated retail streets.



4.2 Additional Design Guidelines

OBJECTIVE: To mitigate wide street and ensure that new residential buildings are connected by a pedestrian-oriented streetscape so as to support major retail base (i.e. comparison goods lifestyle retail).

The Additional streetscape guidelines propose several possibilities for new streetscaping based on references of successful pedestrian-oriented streets in Barcelona, Berlin and Santa Monica. There is an emphasis upon pedestrians, bike lanes, widened sidewalks to encourage street cafes and restaurants, enhanced signage and lighting, as well as plantings to create shade and soften the pedestrian experience.

There are four streetscape options identified:

- Option 1 – Bulb Out Parking;
- Option 2 – No Median (for Broadway and 27th St only);
- Option 3 – Widened Median (for 27th St and Valdez St only);
- Option 4 – Implement Light Rail (for Broadway only).



Example of enhanced streetscape in Santana Row, San Jose.

STREETSCAPE REFERENCES

Las Ramblas, Barcelona



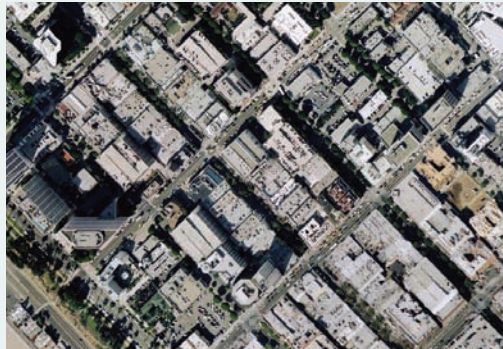
An example of a wide, usable and walkable center median. (Only applicable as a possible streetscape for 27th St)

Kurfuerstendamm, Berlin



An example of widened sidewalks on both sides of the vehicular thoroughfare with a widened usable median.

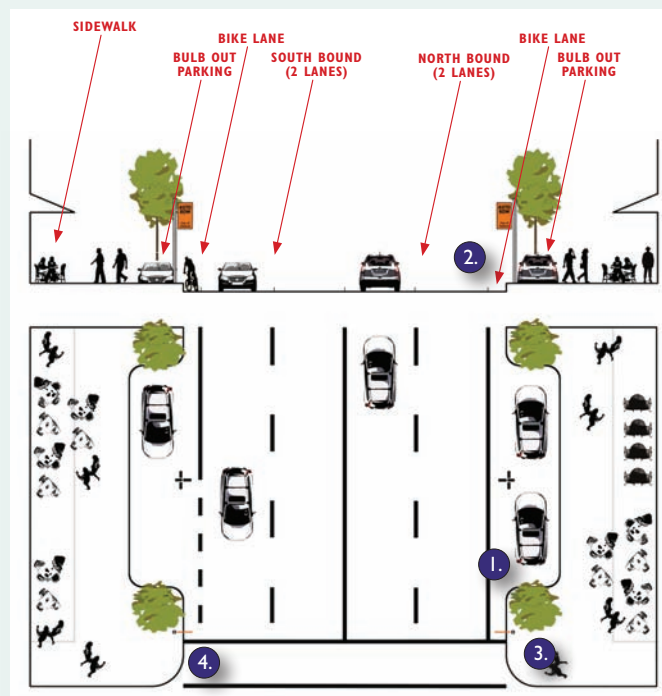
3rd Street, Santa Monica



An example of a wide usable median. (Only applicable as a possible streetscape for 27th St)

OPTION I – BULB OUT PARKING:

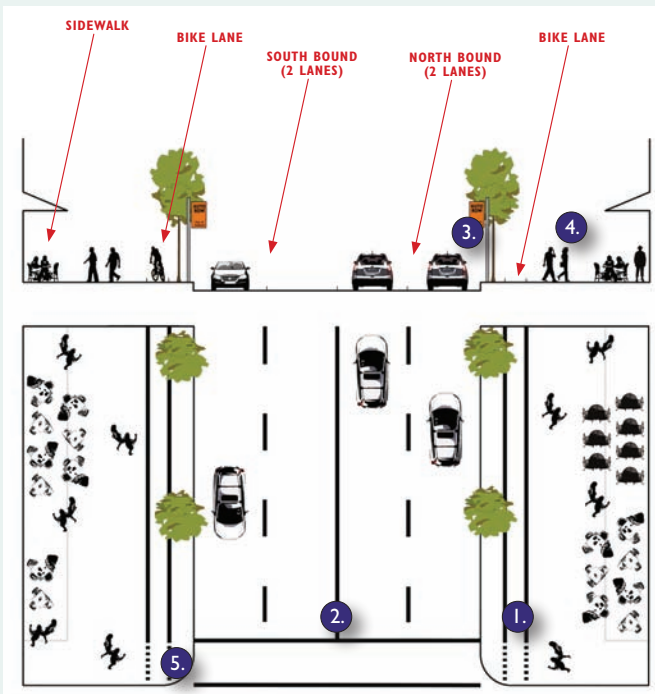
1. Remove existing continuous parking lanes and replace with bulb out parking along Valdez St, Broadway and 27th Street.
2. Retain bike lane and two lanes of vehicular traffic in each direction.
3. Widen sidewalk where bulb out parking does not occur and at crosswalks.
4. Provide additional crosswalks along Broadway and 27th St to facilitate pedestrian flow and use.

**SECTION****PLAN**

Example of bulb out parking at Victoria Gardens, Rancho Cucamonga, CA.

OPTION 2 – NO MEDIAN (FOR BROADWAY AND 27TH ST ONLY):

1. Remove existing parking lanes.
2. Remove existing median.
3. Retain two lanes of vehicular traffic in each direction and separate bike lane from vehicular traffic.
4. Provide widened sidewalks (min. 30 feet) along Broadway and 27th St.
5. Provide additional crosswalks along Broadway and 27th St to facilitate pedestrian flow and use.



SECTION

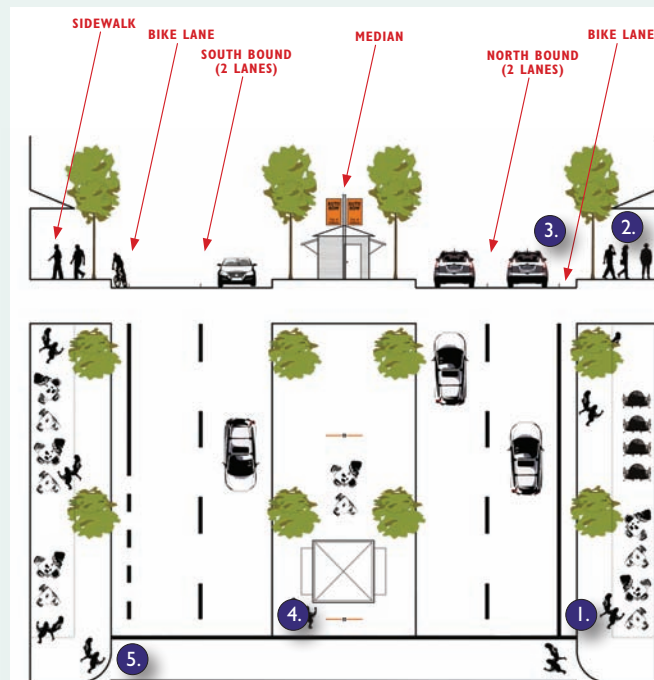
PLAN



Example of bike lane separated from vehicular lane.

OPTION 3 – WIDENED MEDIAN (FOR 27TH ST AND VALDEZ ST ONLY):

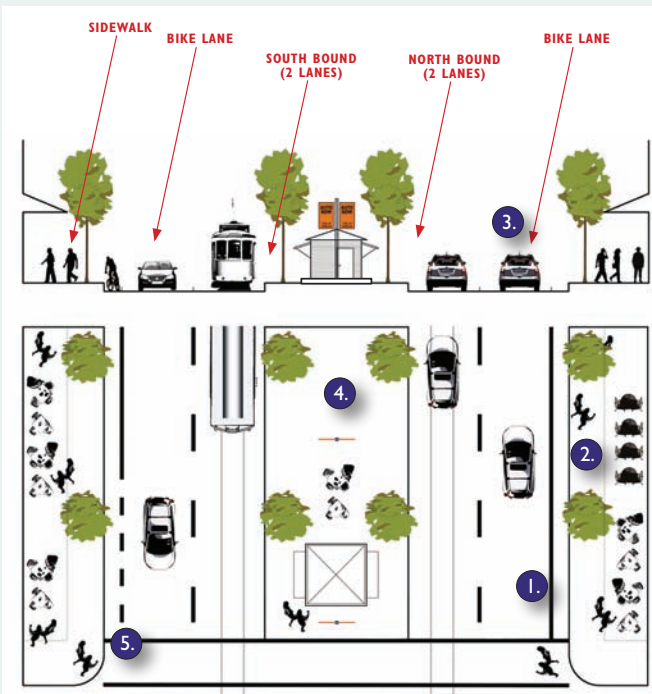
1. Remove existing parking lanes.
2. Provide widened sidewalks (min. 20 feet) along 27th St and Valdez St.
3. Retain bike lanes and two lanes of vehicular traffic in each direction.
4. Provide widened median along 27th St and Valdez St to allow for a center pavilion.
5. Provide additional crosswalks along Broadway and 27th St to facilitate pedestrian flow and use.

**SECTION****PLAN**

Example of center pavilion in Santa Monica, CA.

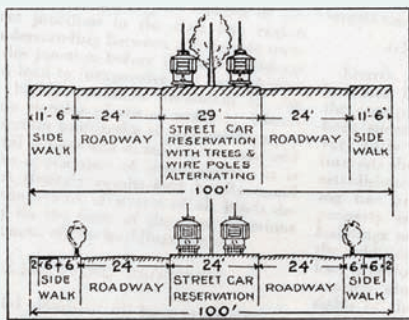
OPTION 4 – IMPLEMENT LIGHT RAIL ON BROADWAY:

1. Remove existing parking lanes.
2. Provide widened sidewalk (min 20 feet) along 27th St, Valdez St and Broadway.
3. Retail bike lane and two lanes of vehicular traffic in each direction.
4. Provide widened median along Broadway to allow streetcar stops and center pavilions.
5. Provide additional crosswalks along Broadway and 27th St to facilitate pedestrian flow and use.



SECTION

PLAN



Scheme proposed by Werner Hegemann for main traffic streets in Oakland in 1915.

U1 - Urban Uptown

The five segments in Urban Uptown are home to the nation's wealthiest urban consumers. Members of this social group tend to be affluent to middle class, college educated and ethnically diverse, with above-average concentrations of Asian and Hispanic Americans. Although this group is diverse in terms of housing styles and family sizes, residents share an upscale urban perspective that's reflected in their marketplace choices. Urban Uptown consumers tend to frequent the arts, shop at exclusive retailers, drive luxury imports, travel abroad and spend heavily on computer and wireless technology.

Young, Urban & Wealthy**04 Young Digerati**

Young Digerati are the nation's tech-savvy singles and couples living in fashionable neighborhoods on the urban fringe. Affluent, highly educated and ethnically mixed, Young Digerati communities are typically filled with trendy apartments and condos, fitness clubs and clothing boutiques, casual restaurants and all types of bars—from juice to coffee to microbrew.

Upscale \$78,800

Age 25-44

White, Asian, Hispanic

Older, Upscale Urban Sophisticates**07 Money & Brains**

The residents of Money & Brains seem to have it all: high incomes, advanced degrees and sophisticated tastes to match their credentials. Many of these citydwellers—predominantly white with a high concentration of Asian Americans—are married couples with few children who live in fashionable homes on small, manicured lots.

Upscale \$80,500

Age 45+

White, Asian

Young, Midscale Urban Singles**16 Bohemian Mix**

A collection of young, mobile urbanites, Bohemian Mix represents the nation's most liberal lifestyles. Its residents are a progressive mix of young singles and couples, students and professionals, Hispanics, Asians, African-Americans and whites. In their funky rowhouses and apartments, Bohemian Mixers are the early adopters who are quick to check out the latest movie, nightclub, laptop and microbrew.

Midscale \$49,500

Age <35

White, Black, Asian, Hispanic

Established, Midscale Urban Couples**26 The Cosmopolitans**

Educated, midscale and multi-ethnic, The Cosmopolitans are urbane couples in America's fast-growing cities. Concentrated in a handful of metros—such as Las Vegas, Miami and Albuquerque—these households feature older home-owners, empty-nesters and college graduates. A vibrant social scene surrounds their older homes and apartments, and residents love the nightlife and enjoy leisure-intensive lifestyles.

Midscale \$51,400

Age 55+

White, Black, Asian, Hispanic

Source : Claritas, August 2007

**UPPER BROADWAY STRATEGY**

A Component of the
OAKLAND RETAIL ENHANCEMENT STRATEGY
Last Updated: September 11, 2007

Urban, Multi-Ethnic & Middle-Class**29 American Dreams**

American Dreams is a living example of how ethnically diverse the nation has become: more than half the residents are Hispanic, Asian or African-American. In these multilingual neighborhoods—one in ten speaks a language other than English—middle-aged immigrants and their children live in middle-class comfort.

Midscale \$50,700

Age 25-44

White, Black, Asian, Hispanic

U2 – Midtown Mix

Diversity is the hallmark of Midtown Mix, a group of midscale urban segments. It's the most ethnically diverse social group, besides containing a mix of singles and couples, homeowners and renters, college alumnae and high school graduates. In U2, the households are dominated by childless consumers who pursue active social lives—frequenting bars, health clubs and restaurants at high rates—listen to progressive music, drive small imports and acquire the latest consumer electronics.

Young, Multi-Ethnic, Midscale Singles**31 Urban Achievers**

Concentrated in the nation's port cities, Urban Achievers is often the first stop for up-and-coming immigrants from Asia, South America and Europe. These young singles and couples are typically college-educated and ethnically diverse: about a third are foreign-born, and even more speak a language other than English.

LowerMid \$33,500

Age <35

White, Black, Asian, Hispanic

Older, Multi-Ethnic Urban Couples**40 Close-In Couples**

Close-In Couples is a group of predominantly older, African-American couples living in older homes in the urban neighborhoods of mid-sized metros. High school educated and empty nesting, these 55-year-old-plus residents typically live in older city neighborhoods, enjoying secure and comfortable retirements.

LowerMid \$37,900

Age 55+

White, Black, Hispanic

Multi-Ethnic, Lower-Mid Urban Families**54 Multi-Culti Mosaic**

An immigrant gateway community, Multi-Culti Mosaic is the urban home for a mixed populace of younger Hispanic, Asian and African-American singles and families. With nearly a quarter of the residents foreign born, this segment is a mecca for first-generation Americans who are striving to improve their lower-middle-class status.

LowerMid \$33,600

Age 25-44

Black, Hispanic

Source : Claritas, August 2007

S1 – Elite Suburbs

The most affluent suburban social group, Elite Suburbs is a world of six-figure incomes, post-graduate degrees, single-family homes and managerial and professional occupations. The segments here are predominantly white with significant concentrations of well-off Asian Americans. Befitting their lofty salaries S1 members are big consumers of large homes, expensive clothes, luxury cars and foreign travel. Despite representing a small portion of the U.S. population, they hold a large share of the nation's personal net worth

Wealthy, Older Suburban Couples



01 Upper Crust

The nation's most exclusive address, Upper Crust is the wealthiest lifestyle in America—a haven for empty-nesting couples over 55 years old. No segment has a higher concentration of residents earning over \$200,000 a year or possessing a postgraduate degree. And none has a more opulent standard of living.

Wealthy \$107,000

Age 45+

White, Asian

Wealthy, Middle-Aged Suburban Families



02 Blue Blood Estates

Blue Blood Estates is a family portrait of suburban wealth, a place of million-dollar homes and manicured lawns, high-end cars and exclusive private clubs. The nation's second-wealthiest lifestyle, it is characterized by married couples with children, college degrees, a significant percentage of Asian Americans and six-figure incomes earned by business executives, managers and professionals.

Wealthy \$113,800

Age 35-64

White, Asian

Wealthy, Suburban Boomer Couples



03 Movers & Shakers

Movers & Shakers is home to America's up-and-coming business class: a wealthy suburban world of dual-income couples who are highly educated, typically between the ages of 35 and 54, often with children. Given its high percentage of executives and white-collar professionals, there's a decided business bent to this segment: Movers & Shakers rank number-one for owning a small business and having a home office.

Wealthy \$97,100

Age 35-64

White, Asian

U3 – Urban Cores

Urban Cores segments are characterized by relatively modest incomes, educations and rental apartments, but affordable housing is part of the allure for the group's young singles and aging retirees. One of the least affluent social groups, U3 has a high concentration of Hispanics and African-Americans, and surveys indicate a fondness for both ethnic and mainstream media and products. Among the group's preferences: TV news and daytime programming, Spanish and black radio, telephony services and pagers, cheap fast food and high-end department stores.

Inner-City Multi-Ethnic Families



65 Big City Blues

With a population that's 50 percent Latino, Big City Blues has the highest concentration of Hispanic Americans in the nation. But it's also the multi-ethnic address for downscale Asian and African-American households occupying older inner-city apartments. Concentrated in a handful of major metros, these young singles and single-parent families face enormous challenges: low incomes, uncertain jobs and modest educations. More than 40 percent haven't finished high school.

Downscale \$29,000

Age <45

Black, Asian, Hispanic



PARKING STRATEGIES¹

Retail districts and cities often struggle with questions about parking. How much parking is necessary? What is the right price to charge? Why are some spots always full and others always empty? How can we encourage more people to walk, bike or take transit rather than drive? How can new parking facilities be financed? A few strategies for these issues include, market-based parking, parking districts, reduced parking requirements, parking increment finance.

Create a parking district

Research shows that parking can be managed more effectively and provided more efficiently on a district level than on a site-specific basis. This is especially true in areas experiencing redevelopment and revitalization. In these areas vacant sites are limited and new retail businesses are opening in older buildings that may or may not have adequate parking to serve the new use according to parking requirements. This can often be a roadblock to revitalization. If every business were required to accommodate all of their parking demand on-site, some sites might not be redeveloped because a limited number of uses can occupy the space.

In addition, by providing parking for an entire retail district in one or two locations, cities will encourage trip-chaining or what some call “park once”. This strategy reduces the total number of parking spaces necessary to serve a given number of stores or square feet of retail over traditional retail configurations where each store maintains its own parking and patrons have to park each time they want to go to a different store. If patrons can park once and walk to three or four separate stores, each store can reduce its parking ratios.

Adjust parking prices

Many cities make street parking free or inexpensive in fear that patrons will not park there if the fees are too high. However, if street parking is free or very inexpensive, patrons will spend a longer time driving to look for parking rather than pay to park in a garage. This can create the perception that there is a parking shortage, when in fact many garage spots remain open. In cities that have adopted alternative parking policies by pricing all spaces the same or discounting the garage spots, have found they have higher utilization of all the available spaces and it actually creates more available street spaces.

Market-based pricing adjusts parking prices based on demand. When demand is high for street parking spaces, like during peak periods, prices are higher for street parking spaces than garage spaces during off-peak periods. Redwood City uses dynamic pricing to maintain an 85 percent occupancy rate on street parking spots. This occupancy rate ensures that on average, one space per block is always open. This creates a perception that parking is always easy to find, even though they have not added any parking spaces. By instituting dynamic pricing, more patrons will choose to walk, bike or take transit, come during off-peak hours, or will park in cheaper garage parking spaces. Market-based pricing can affect demand and decreases the amount of parking necessary for any one district.



UPPER BROADWAY STRATEGY

A Component of the
OAKLAND RETAIL ENHANCEMENT STRATEGY
 Last Updated: September 11, 2007

Generally, revenue from parking meters can be used to fund streetscape improvements in the district in which they are collected. This focused funding generates support from local merchants and faster results than if the money was distributed citywide. However, if revenue is greatly unequal from one district to the next, revenue sharing agreements may offer a more equitable solution.

Revenue Sharing Agreements

In locations with existing parking meters revenue sharing agreements can be used to maintain some revenue for the City while also allowing each Parking Meter Zone to benefit from direct revenue.

Parking Increment Finance

1. The City continues to receive current meter revenue.
2. The City splits any increases in meter revenue with the BID
3. The revenue stream creates a local incentive to increase the number of meters, the meter rates, the hours of meter operation and enforcement
4. Both the BID and the City get new revenue"

Revenue Sharing Among Neighborhoods

In San Diego, the city shares the parking meter revenue among all neighborhoods. This is done to more equitably share revenues. Some wealthy areas of the city generate more revenue because they are desirable places to park and spend time, while poorer areas might generate less revenue because not many people drive into those neighborhoods to shop. Fifty-five percent of the revenue from all parking meters goes into the City's general fund to be shared among all neighborhoods and 45 percent goes back to the neighborhood it was collected from.

Issue Bonds or use Tax Increment Finance

While the revenue gained from higher-priced parking meters can be significant, it is usually not enough to fund the construction of new parking garages. If a large-scale project is being completed, the city can partner with the developer to build a large garage to fulfill the needs of both the development and existing retail. The city or redevelopment agency could offer the developer assistance with land assembly, partial funding or re-zoning.

If private money is not available, the public sector is often well poised to offer direct funding. Redevelopment agencies can use tax increment finance dollars to fund the construction of new garages. Cities can also issue bonds to pay for parking facilities. In Pasadena, a blended approach was used. The City issued a bond to pay for the construction of a public garage and the Redevelopment agency paid the city back over a number of years with tax increment funds.

¹*The High Cost of Free Parking, Donald Shoup. American Planning Association Planners Press, 2005.*

A. SUMMARY OF PUBLIC MEETINGS

The public meeting process consisted of four meetings in community facilities in different sectors of Oakland. A total of 60 participants attended the meetings which were coordinated and publicized by City staff. The following four questions were presented to the participants:

- What do you like about Shopping in Oakland?
- What would make your shopping experience better?
- What do you want to make sure doesn't change?
- Does type of ownership matter?

The East and West – While some communities experience high levels of retail service, others live in vacuums with inadequate or convenience goods or services. This was not always the case. People called for City support in managing the neighborhood commercial district business cycles, taking advantage of opportunities, like the changes in the Dimond, and helping neighborhoods in East and West Oakland which are still lacking basic retail services. When presented with the choice of traveling to a location across town or to San Leandro, Emeryville or Alameda for convenience goods, residents choose the quality and convenience of neighboring cities for their basic grocery shopping needs. Everyone would prefer to be able to get their needs met at home, in Oakland, but would travel for a quality shopping experience.

Balance of Large and Small Businesses – There was strong support for small and neighborhood businesses, as a place for day to day shopping. But for “weekend shopping” people needed places to go where they could meet all their needs with ease. People defined “weekend shopping” as primarily comparison shopping for clothing, appliances, sporting goods, gifts and similar items. They expressed a desire for a wide range and mix of high-



June 21, 2007



UPPER BROADWAY STRATEGY

A Component of the
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Last Updated: September 11, 2007



June 23, 2007

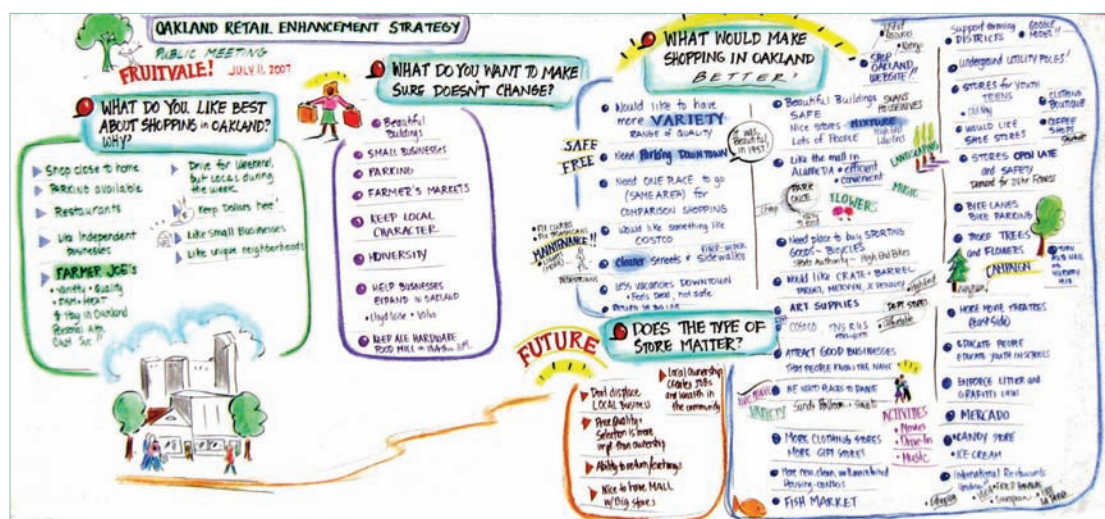
end and affordable department stores, places where they could get everyday things, as well as boutiques with specialty items. All this does not need to occur in one store, but in one location. Ideally parking should be free or at token cost levels. People also called upon large businesses to be community leader and good civic partners providing living wage jobs in Oakland.

Downtown, Weekend Shopping is More Than an Errand – People remembered back in the day when Downtown was “a scene.” People dressed up, were treated respectfully, and everyone went out to Downtown Oakland. People wanted to shop where there were a lot of other people. People wanted interactive programming – music and art activities for youth, children and families. All groups called for a mix of price points which would allow a mix of people to meet their needs including youth, seniors, workers and families. Basic urban design principles of good lighting, wide sidewalks, landscaping and the quality of maintenance of the public space as well as the buildings and ease of parking were identified as factors in people’s decision about where to shop.

Customer Service, Quality and Inventory – These are significant factors in people’s shopping choices. While people were happy to shop locally, for comparison items they did not want to “have to” shop at small local stores. Most importantly, people wanted to be able to make large and gift purchases at name brand stores where if needed, items could be returned or exchanged. Repeated in each of the meetings was the note that the national chains located in Oakland tend to have lower quality selection and merchandising in their Oakland store than in their more suburban locations.

Diversity and Community Character – Thematically all residents across the City appreciate and do not want to lose the distinct neighborhoods and community character of Oakland. In particular the cultural/ethnic neighborhoods were seen as a resource to everyone. Participants felt that all neighborhoods, and all communities, throughout the City should

UPPER BROADWAY STRATEGY
A Component of the
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Last Updated: September 11, 2007



July 11, 2007

Kinds of Comparison Shopping – People would like to see Oakland include home improvement, comparison shopping, clothing, housewares, shoes, music (instruments), sporting goods, (specialty and general), and big name stores which would bring people to Oakland.

Entertainment - All groups asked for entertainment and shopping that would target and be accessible to youth, and at the same time asked for theater and entertainment that targeted more than 18-35 year old males (including independent films, theaters, etc. for people 40 and over, live music and dance halls – which reflect the diversity of Oakland, bringing in everything from Hip Hop, Jazz and Blues to Salsa).

Across the board all groups wanted to see the reuse of Oakland's existing handsome building stock, in particular in the Downtown and Auto Row areas and were not willing to see the development and growth of large scale comparison shopping at the expense of the local neighborhood commercial corridors. Another interesting trend was the emphasis and assumption that shopping referred to "family" shopping needs. In one meeting it was very specifically stated that loft residents were transient, which Oakland should not focus its economic development around, rather the City should focus its efforts on attracting the larger scale shopping that families in Oakland need.



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