

IT'S EZ/ENTERPRISE ZONE EXPANSION CREATES JOBS

Page 1

DIRECTOR'S MESSAGE

Page 2

FREE SHUTTLE HITS DOWNTOWN

Page 3

NEW BUSINESSES, RESTAURANTS OPEN IN DOWNTOWN, COLISEUM AREAS

Page 4-5

OAK KNOLL PROPERTY MADE SAFER

Page 6

GROVE SHAFTER PARK GOES TO THE DOGS

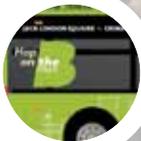
Page 7

REDEVELOPING OAKLAND WINS AWARD

Page 7

OAKLAND'S HOLIDAY PARADE IS BACK

Page 8



REDEVELOPING OAKLAND

REASSESS / REEVALUATE / REBUILD / REVITALIZE

IT'S EZ/ENTERPRISE ZONE EXPANSION CREATES JOBS

Plans are underway to expand Oakland's Enterprise Zone to cover most of the City of Emeryville, helping attract new businesses, keeping existing ones strong in a challenging economy and creating jobs for residents of Oakland and nearby areas.

"The intent is to create jobs and help economically depressed areas," says Susana Villarreal, Oakland's Enterprise Zone coordinator.

Oakland's Enterprise Zone (EZ) was established in 1993. The designation was renewed in 2008 for another 15 years. The zone covers most of the City west of Interstate 580. Oakland's EZ is now one of 42 statewide.

Businesses in Enterprise Zones receive tax benefits, including tax credits for the purchase of qualified equipment, property depreciation and against operating losses. Businesses also can earn preference points on state contracts.

Significantly, they also receive tax credits for hiring certain workers including veterans and unemployed and disabled workers, as well as residents of low-income areas designated as Targeted Employment Areas, including many areas of Oakland.

Eighty percent of Oakland businesses hire residents from the Targeted Employment Areas, also known as TEAs, explains Villarreal. TEAs are comprised of having at least 51 percent of residents at low- to moderate-income levels and are in need of employment targeting. For the fiscal year ending June 30, a total of 4,297 hiring tax credits were issued, each voucher representing a job. Employers claimed an average credit of \$5,000 per employee, resulting in thousands of dollars in state tax savings.

"We're opening up more job opportunities for Oakland residents," Villarreal says.

In 1998, the zone was expanded into Emeryville to include 55 acres covering the properties of Chiron (now Novartis) and Pixar and all of San Pablo Avenue. The agreement required Chiron to invest the money it saved by its inclusion in the Enterprise Zone in the development of a biotechnology industry in Oakland.

(continued on page 2)

"EMPLOYERS CLAIMED AN AVERAGE CREDIT OF \$5,000 PER EMPLOYEE, RESULTING IN THOUSANDS OF DOLLARS IN STATE TAX SAVINGS."

SUSANA VILLARREAL
ENTERPRISE ZONE COORDINATOR
CITY OF OAKLAND'S

ENTERPRISE ZONE EXPANSION CREATES JOBS *(continued from page 1)*



Additionally, in 2009, the zone was expanded into Berkeley to cover the property of Bayer, a leading biotechnology company, which was considering leaving Berkeley.

Bayer's inclusion in the Enterprise Zone is expected to save the company more than \$13 million over 10 years, allowing it to begin a \$100 million investment in its Berkeley campus. The move saved 1,300 jobs, including those of 200 Oakland residents.

In addition, it saved Bayer's participation in the BioTech partners program at Oakland Technical and Berkeley high schools, which places high school and community college students in education programs and biotech jobs with career potential.

Officials in Oakland, Berkeley and Emeryville – as well as Gov. Arnold Schwarzenegger's office and Pacific Gas and Electric – were credited with quickly putting together a package attractive enough to retain the Bayer plant, which produces a blood-clotting treatment used by hemophiliacs.

"If someone complains about government not acting quickly, let me tell you, this was done at the speed of light," Bayer Vice President Joerg Heidrich said at the time.

"It's an Enterprise Zone success story," says Villarreal.

In the case of Emeryville, the expansion would cover nearly all properties in the city limits with commercial and industrial zoning, including mixed-use properties. It would not cover the Bay Street and Powell Street Plaza shopping areas.

Following approval by the City Council and Redevelopment Agencies of both cities, the expansion must be approved by the state.

For more information about Oakland's Enterprise Zone, visit www.ezoakland.com.

MESSAGE FROM THE DEPUTY DIRECTOR

GREGORY HUNTER, DEPUTY DIRECTOR OF ECONOMIC DEVELOPMENT AND REDEVELOPMENT

While there seems to be little agreement about whether the country is finally emerging from the Great Recession, one thing is certain: Oakland continues to move forward despite the economic uncertainty.

As highlighted in this issue of *Redeveloping Oakland*, entrepreneurs are opening new restaurants and other businesses in redevelopment areas throughout our City, assisted by Redevelopment Agency grants and expertise.

The expansion of Oakland's Enterprise Zone into Berkeley and Emeryville is helping strengthen existing businesses, attract new ones and provide jobs for Oakland residents.

A new, free shuttle is making it easier for workers and visitors to navigate all the new restaurants, cultural amenities and more that Downtown has to offer.

And the Oak Knoll property, while still awaiting a resurgence of the real estate market to reach its development potential, has been made safer with the demolition of abandoned buildings, abatement of weeds and addition of 24-hour security.

We bring you news on these topics and more in this issue of our quarterly newsletter, which we are proud to announce recently received an award for excellence from the International Economic Development Council.

Thank you for reading. We hope that learning more about the redevelopment efforts in your community and the City as a whole will encourage you to experience all that Oakland has to offer.

Gregory D. Hunter



Redeveloping Oakland received the 2010 Award of Excellence from the International Economic Development Council.



FREE SHUTTLE HITS DOWNTOWN

What's free, green and can add precious minutes to your lunch break?

The Free B, the new Broadway shuttle running weekdays downtown from Jack London Square to Grand Avenue.

Unveiled in August, the lime green shuttle runs from 7 a.m. to 7 p.m. weekdays with stops in 19 locations, every 10 minutes during rush hour and lunchtime and 15 minutes otherwise. The stops cover Jack London, Chinatown, Old Oakland, City Center, the Uptown arts and entertainment district and the Lake Merritt financial district.

The shuttle helps connect the burgeoning Uptown area, anchored by the restored Fox Theater and home to an increasing number of enticing restaurants, with Jack London Square, which is also in the process of renewal, with the new Jack London Market in the works. It brings a wealth of new lunch and happy hour options – as well as shopping, free concerts, galleries and more – to downtown office workers or visitors who may not be willing or able to walk the 1.5-mile stretch of Broadway, which is dissected by the Interstate 880 overpass.

The shuttle also connects commuters from Amtrak, the ferry, BART and AC Transit to different areas of Downtown.

The shuttle is reminiscent of similar effort in the late 1990s, when a free shuttle ran mid-day, and in the 1980s, when a shuttle ran all day and cost a quarter. The shuttle in the 1990s was funded solely by government in its final years, which was not sustainable, says Broadway Shuttle project manager Zach Seal.

THE SHUTTLE HELPS CONNECT THE BURGEONING UPTOWN AREA, ANCHORED BY THE RESTORED FOX THEATER AND HOME TO AN INCREASING NUMBER OF ENTICING RESTAURANTS, WITH JACK LONDON SQUARE, WHICH IS ALSO IN THE PROCESS OF RENEWAL, WITH THE NEW JACK LONDON MARKET IN THE WORKS.

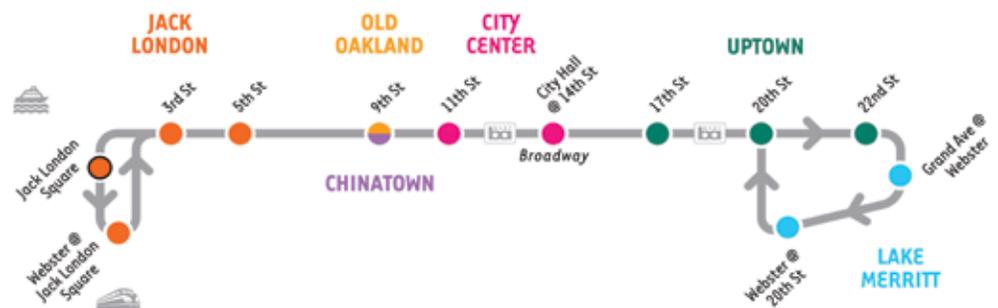
The Free B, on the other hand, is a collaboration between government agencies, property owners, developers and the Bay Area Air Quality Management District, which contributed \$1 million for the shuttle's first two years of operation.

The Redevelopment Agency contributes \$80,000 per year and the Water Emergency Transportation Agency – which runs the ferries from Jack London Square – contributes \$10,000 annually. Another \$140,000 comes from developers of Jack London Square and Uptown properties, as well as the Downtown and Uptown/Lake Merritt community benefit districts, to which businesses contribute to pay for neighborhood improvements.

The Broadway Shuttle is operated by AC Transit under a transit services agreement with the City of Oakland.

Officials would like to secure funding to increase the shuttle's hours and, eventually, replace it with a historic electric street car that could operate on Broadway from the Jack London waterfront, through the upper Broadway area – where the City is implementing a retail attraction strategy – and terminating at the MacArthur BART station.

Learn more about the Free B at www.MeetDowntownOAK.com.



NEW BUSINESSES BLOOM/RESTAURANTS AND MORE OPEN IN DOWNTOWN, COLISEUM AREAS

A still shaky economy isn't stopping optimistic and enterprising entrepreneurs from putting down roots and opening new businesses in Oakland, from Downtown to East Oakland.

The City's emergence as a major dining destination continues with the opening of Plum, from famed Chef Daniel Patterson. And Oakland's stunning ethnic diversity continues to be reflected in a wide array of international cuisines. From restaurants to bars to barbershops, business owners are taking advantage of Redevelopment funding and programs to help realize their dreams and bring services to the community.

Following are some new business highlights.



ABOVE: Famed Chef Daniel Patterson opened Plum in September in the vibrant Uptown District.

CENTRAL DISTRICT

PLUM RESTAURANT

Patterson, owner of San Francisco's renowned Coi and Il Cane Rosso, opened Plum this fall in the Uptown district, which has become a popular lunch spot.

In early 2011, Patterson will open a new bar adjacent to the 1,850-square-foot restaurant at 2241 Broadway.

Plum received a \$28,000 redevelopment grant for tenant improvements, as well as \$10,000 in design assistance for the approximately \$300,000 project. Patterson also has plans to open another restaurant, Bracina, in the new Jack London Market.

BAR DOGWOOD

A few blocks away, Oakland resident Alexeis Filipello also is taking advantage of the Uptown buzz and planning to open Bar Dogwood in mid-October at 1644 Telegraph Avenue.

"I have wanted to open something in the Oakland area for the past eight years or so but found it difficult," says Filipello, who previously owned the House of Shields Saloon in San Francisco but closed it down when the lease was not renewed. "Now it seems Oakland is ripe for some new bars and entertainment, and the City of Oakland is making it easier to open businesses."

Bar Dogwood is receiving \$28,000 in redevelopment funds for interior improvements, \$8,000 for façade improvements and \$10,000 in design assistance.

The grants "really help, so now I can make Dogwood really stand out as a business. It's really fantastic that the City recognizes what it takes to open a new business, and, essentially, it is like the City of Oakland investing in me," Filipello says. "So I am really inclined to make it beautiful and to spend the money on extraordinary items to make it really stand apart from the other venues in Oakland."

The fact that her rent is lower than in San Francisco helps, too, she says.

NO WORRIES

Also recently opened is the No Worries restaurant at 1442 Franklin Street shown below.

"I decided to open in Oakland because I am an Oaklander. I went to Oakland High School and grew up throughout Oakland," says owner Jay-Ar Pugao. "I felt a strong need to provide my community the opportunity to eat delicious, healthy, Filipino vegetarian cuisine."

Pugao is receiving \$10,000 from Redevelopment for tenant improvements for the \$45,000 project.

The funding "definitely allowed me to think big knowing the City was supporting my business," he says.

BELOW: With the assistance of a tenant improvement grant, Jay-Ar Pugao brought his vision for a vegetarian restaurant to fruition.





The staff and owner of Wing Town Café invite you to stop by the new eatery on International Boulevard. Grants from the Redevelopment Agency covered nearly half of the façade and interior work for the restaurant project (below).

COLISEUM DISTRICT WING TOWN CAFÉ

Downtown is not the only neighborhood that is seeing new restaurants open.

This summer, Calvin Andrews opened the Wing Town Café at High Street and International Boulevard.

“I’m a wing connoisseur,” says Andrews. “It has been a passion of mine for many years.”

Andrews received more than \$5,000 for façade improvements and more than \$28,000 for interior tenant improvements including flooring, paint, bathrooms and systems work. The entire cost of the project was nearly \$67,000.

“I don’t think I could have opened without those grants and without the City’s help,” says

Andrews, who is also a sports agent. “It made all the difference in the world.”

Andrews makes all of his wings with fresh – not frozen – chicken and a range of sauces from honey BBQ to garlic parmesan to the signature “ooh wee sauce.”

“That’s what you say when you taste it. It has a nice, tangy kick to it,” he says.

While the grant process “does take some time, it’s not a complicated process,” Andrews says. “It was actually easy. The people at (the Community and Economic Development Agency) were incredible.”

“I like to see it as partnering with the City. We came into an Enterprise Zone, and we’re hiring a lot of people from Oakland,” he adds. “That’s what I get joy out of, helping an area that needs to be developed and hiring people who need jobs.”



ABOVE: McWilson hopes Gents Barbershop will become a community hub in East Oakland.

GENTS

Also looking to improve the community with his new business is Marlon McWilson an Oakland resident, UC Berkeley graduate and former Oakland Unified School District teacher who opened Gents Barbershop in late September at 555 98th Avenue.

But Gents is no ordinary barbershop. In keeping with tradition in African American communities, McWilson sees Gents as a community hub, a place “to have real honest discussions and get everyone’s opinions.”

To that end, he has also put in a juice bar and plans to host health screenings, free flu shots, dental checks for neighborhood children and more.

McWilson received a \$17,500 façade grant and \$45,000 tenant improvement grant for the \$155,000 project.

The grants were “huge,” he says. “It allowed me to really bring my business to life and complete my vision.”

For more information about the Façade and Tenant Improvement programs visit www.business2oakland.com/redevelopment.

BELOW: Precision cuts are just part of the appeal of this new business.



OAK KNOLL PROPERTY MADE SAFER WITH OLD HOUSES DEMOLISHED AND BRUSH REMOVED

While redevelopment of the former Oak Knoll Naval Hospital remains stalled, the Redevelopment Agency has ensured the community's safety by demolishing 18 blighted, abandoned wooden houses that were considered a fire hazard because of their attractiveness to vagrants.

"It was important for us to do that," says redevelopment area manager Al Auletta. "The neighbors had some real concerns about people going on the property, vandalizing it and people sheltering there. Wildfire is a very real concern."

Buildings that remain standing include a historic clubhouse and the 11-story former hospital, which has been abated of asbestos.

The Redevelopment Agency spent about \$236,000 on the demolition of the structures on the 5.45 acres of former Navy land that it owns. The rest of the property, 167 acres, is owned by developer SunCal Oak Knoll, LLC, which stopped development when it filed for bankruptcy in November 2008.

The City of Oakland was successful in getting the bankruptcy court to require Lehman Bros., the project's major investor, to release \$3.7 million to secure and clean its part of the property.

SunCal also is providing 24-hour security on site and tackling overgrown weeds, a fire hazard particularly during dry months, with herds of goats.

"The security and periodic vegetation management are our biggest priorities for the entire site right now," Auletta says. "Our hope for the future is that the entitlement process will be resumed, and that the project, when the market is better, can actually start moving toward development."

To ensure public safety, the Redevelopment Agency spent about \$236,000 to demolish blighted buildings on its portion of the former Oak Knoll Naval Hospital.



THE CITY OF OAKLAND WAS SUCCESSFUL IN GETTING THE BANKRUPTCY COURT TO REQUIRE LEHMAN BROS., THE PROJECT'S MAJOR INVESTOR, TO RELEASE \$3.7 MILLION TO SECURE AND CLEAN ITS PART OF THE PROPERTY.

"THE SECURITY AND PERIODIC VEGETATION MANAGEMENT ARE OUR BIGGEST PRIORITIES FOR THE ENTIRE SITE RIGHT NOW," AULETTA SAYS. "OUR HOPE FOR THE FUTURE IS THAT THE ENTITLEMENT PROCESS WILL BE RESUMED, AND THAT THE PROJECT, WHEN THE MARKET IS BETTER, CAN ACTUALLY START MOVING TOWARD DEVELOPMENT."

GROVE SHAFTER PARK GOES TO THE DOGS

The wait is over, and West Oakland pooches now have a place to play.

The new Grove Shafter Dog Park at 37th Street and Martin Luther King, Jr. Way will open in early November. Part of the larger Grove Shafter Park, the dog play area includes separate fenced areas for large and small dogs, boulders for dogs to jump on or hide behind and benches and tables for their owners.

The project was funded by a Redevelopment grant of \$40,000 to the Oakland Dog Owners Group (ODOG) through the West Oakland Neighborhood Project Initiative (NPI) program. Council President Jane Brunner's office also contributed \$15,000 for the construction of the dog park, West Oakland's first off-leash park.

"Dog parks provide a place for people to take their pets for exercise and socialization, and they strengthen communities by bringing neighbors together," says Janice Lang of the Redevelopment staff. "In addition, this project prompted the trimming of overgrown bushes along the park's periphery, which had long created shelter for homeless camps. Activating this part of the Grove Shafter Park will likely continue to keep the homeless problem in check."

Emily Rosenberg of ODOG says the group will provide goodwill ambassadors to help launch the park, educate users about proper dog park behavior and plan for a grand opening event in November.

"This is West Oakland's first chance to have a legal off-leash space, and it's a wonderful way to get to know our neighbors," she says.

For more information or to get involved, contact odogparks@comcast.net. For more information about the NPI program, visit www.business2oakland.com/redevelopment.



William Best, FM, Chairman of the International Economic Development Council (IEDC) Board of Directors (left) and Timothy Solomon, CEcD, Chairman of the IEDC Awards Task Force (right) present the award for Redeveloping Oakland to Harry Hamilton, Public Information Officer, City of Oakland.

REDEVELOPING OAKLAND WINS AWARD

We are pleased to announce that *Redeveloping Oakland*, the quarterly newsletter of the City of Oakland's Redevelopment Agency, was recognized for its excellence by the International Economic Development Council.

The 2010 Excellence in Economic Development Award, presented September 28 at the IEDC Annual Conference in Columbus, Ohio, was given in the newsletter category for cities with populations between 200,000 and 500,000.

"We recognize The City of Oakland Community and Economic Development Agency's Redevelopment Division for providing successful strategies to promote new paradigms in economic development in this period of global recovery," said William Best, IEDC chair. "Our awards honor organizations and individuals for their efforts in creating positive change in communities. The City of Oakland Community and Economic Development Agency's Redevelopment Division is showing that they are at the forefront of the economic development profession and are using innovative and effective practices that can be replicated in other communities."

Redeveloping Oakland was launched in spring 2008 as a way to reach out to the more than 80,000 households and more than 5,000 industrial, manufacturing and small businesses located in Oakland's redevelopment areas. A survey of readers last year found that 79 percent of respondents said the newsletter improved their understanding of redevelopment activities, and nearly 53 percent said they had participated in a redevelopment project after reading about it in the newsletter.

The IEDC is a nonprofit membership organization dedicated to helping those in the economic development field in their efforts to create more vibrant communities, high-quality jobs and improved quality of life.

Redeveloping Oakland is available in English, Spanish and Chinese, in print and online at www.business2oakland.com/redevelopment.

We appreciate the recognition and hope that this newsletter will continue to bring you news of efforts in your neighborhood and other redevelopment areas in Oakland.



The choreographed movements of Tapping Dancing Christmas Trees add a little kick to the Holiday Parade. The whole family will enjoy the festive floats, giant balloons and precision bands as the Holiday Parade marches up Broadway on December 4.

OAKLAND'S HOLIDAY PARADE IS BACK: YOU CAN MAKE A DIFFERENCE

Mark your calendars for the 11th annual Comcast America's Children's Holiday Parade in Downtown Oakland.

On Saturday, December 4 starting at 2 p.m., Curious George, Clifford and more storybook friends will parade along Broadway. There will be marching bands, giant helium balloons and, of course, the big man in red, Santa, to usher in the start of the holiday season.

In addition to providing exciting family entertainment, the parade is broadcast nationally on PBS affiliates, projecting a positive image of Oakland across North America.

Bring your family Downtown for the parade, then stay and check out all the new restaurants, galleries and shops Oakland has to offer.

For more information, visit www.oaklandholidayparade.com.



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