Bridging the Retail Gap

An incredible array of ethnic eateries, cool jazz clubs and scenic views of the Bay and hills are woven into the fabric of Oakland. Yet, one key thread remains inconsistent: shopping.

While shopping streets and complexes thrive in neighboring communities, Oakland retains its reputation as one of the largest underserved retail trade areas in the United States. Out of every $3 local residents spend on goods such as clothing, home furnishings, recreation equipment and gifts, they spend only $1 in Oakland.

“This spending gap adds up to $1 billion in annual retail leakage to other cities and Internet shopping,” said Aliza Gallo of Oakland’s Business Development Services. “If regained, those sales could generate $10 million in tax revenues and over 10,000 new jobs.”

Another significant gap exists for convenience items such as groceries, toiletries and other goods. Oakland residents who make convenience purchases primarily outside the city or at expensive corner markets and mini-marts could support five new, full-sized supermarkets.

Thanks to the recently-completed Citywide Retail Enhancement Strategy, however, the City of Oakland is much closer to capturing lost retail dollars. The Retail Enhancement Strategy, developed by the Conley Consulting Group, proposes a blend of citywide actions to address the shopping wants and needs of local residents.

“It’s a big city, and it’s a big job to do,” said Keira Williams, Retail Specialist with Oakland’s Business Development Services. “The Retail Enhancement Strategy shows us how best to use the resources we have.”

Strategy for Success

The solution to Oakland’s retail shortage is not simply introducing one large retailer or building a single shopping complex. The Retail Enhancement Strategy proposes a multi-pronged approach that incorporates small, medium and large outlets owned by local, regional and national interests.

“Oakland’s need is so great that we will embrace all shopping choices,” said Gallo.

A major component is a 10-acre retail development in Oakland’s Upper Broadway area. The complex will focus on comparison goods (clothing, furniture, gifts, sports equipment, toys and other items) that middle- and upper-end shoppers typically leave the city to purchase. (See “Destination: Upper Broadway on page 3.)

(continued on page 2)
RETAIL UPDATE: WEST OAKLAND

West Oakland, once dominated by liquor stores, mini-marts and fast-food chains, is experiencing its first burst of commercial revitalization. Brown Sugar Kitchen and Mandela Foods Cooperative are just two examples of the changing neighborhood retail scene.

BROWN SUGAR KITCHEN

Brown Sugar Kitchen’s customers enjoy the culinary twists on southern cuisine and barbecue dishes created by owner, chef and cookbook author Tanya Holland.

“We see lots of people from the neighborhood plus patrons from Walnut Creek, San Francisco and the Peninsula,” said Holland. “Give people an accessible product, value and comfort, and they will come.”

Holland, who lives in West Oakland and has been active in the community for years, is grateful for the City’s support of her business including a tenant improvement grant from Redevelopment. She sees even greater potential for development in West Oakland.

“We’re changing the concept of the neighborhood,” she said. “I hope my business attracts other businesses, especially retail, to increase the area’s foot traffic and safety. The more the merrier.”

2534 Mandela Parkway
www.brownsugarkitchen.com

(provided from page 1)

PROVIDING CONVENIENCE AND VALUE

The city will also work to attract grocery stores, particularly to the most underserved communities in West and East Oakland. New grocery stores will help stop the $232 million leakage for convenience goods and act as anchors to support neighboring retailers. In addition, the health and well being of neighborhood residents may improve. With easily accessible grocery stores, people don’t need to rely on nearby mini-marts and corner stores that typically stock higher-priced foods and offer less healthy options.

Large format stores, which sell a broad range of well-priced goods, have been high on residents’ wish lists for some time. Well-known retailers, such as Target and Costco, are equally interested in serving Oakland’s shoppers. Following the plans outlined in the Retail Enhancement Strategy, city staff will identify appropriate sites for these retail outlets, possibly near the former Oakland Army Base and along Upper Broadway.

City staff believes that new comparison, convenience and large format interests will be eager to enter the local retail scene.

“We can demonstrate that Oaklanders have significant buying power, and we want to aggressively pursue all these businesses,” said Gallo.

SUPPORTING SMALL BUSINESSES

Oakland already provides unique shopping experiences within its many neighborhood retail districts. Some shopping districts, such as Glenview, Rockridge, Lakeshore and Fruitvale/Foothill, perform well. However, many districts could better serve their immediate communities.

Most urban areas lack the space to build larger stores; therefore, the Retail Enhancement Strategy proposed several ideas to support small shops in well-established neighborhoods. For example, City staff will provide training and technical support so locally-owned businesses can grow over the long term. Outreach will also be offered to strengthen neighborhood retail districts coping with crime, parking challenges and other planning issues.

The Retail Enhancement Strategy determined that Oaklanders could support up to 70 new, locally-owned comparison goods stores in neighborhood shopping districts. The City will seek out new businesses and anchor tenants where feasible to attract a steady stream of customers for existing retailers.

Overall, Oakland could recapture almost $25 million in retail leakage by supporting new and existing small retail businesses. The Retail Enhancement Strategy selected a few areas with concentrated retail activity for further planning that will provide insights into improving other Oakland shopping districts. (See “Districts Ready for Action” on page 4.) Eating and drinking establishments, which experience less leakage than retail outlets, are expected to continue to grow.
**DESTINATION: UPPER BROADWAY**

A retail development planned for Oakland’s Upper Broadway area will meet many of the shopping needs identified in the Citywide Retail Enhancement Strategy. In fact, the first phase of the project alone could recapture an estimated $168 million in retail leakage.

The Upper Broadway site, more than 10 acres along Oakland’s Broadway Auto Row and adjacent areas, offers a once-in-a-lifetime opportunity to locate a parcel large enough for a major retail center.

“Auto Row is going through a transition, so we want to carefully plan what will go in its place,” said Keira Williams, Retail Specialist with Oakland’s Business Development Services. “We believe this is the place in Oakland for a comparison goods and entertainment complex.”

**One Million Square Feet for Retail**

The large site will provide one million square feet of retail space anchored by a department or large format store as well as entertainment options. Strong anchors will draw customers to other, smaller shops owned by national, regional and local interests and round out the retail mix that residents desire. The complex may also offer housing and office uses above street level storefronts.

Williams emphasizes that the new complex will attract shoppers from the greater East Bay in addition to Oaklanders. Over time, she anticipates that smaller shopping districts will benefit from the increased traffic to Oakland. “People coming to Oakland will stay to explore other neighborhoods with their one-of-a-kind vendors,” said Williams.

**Planning Stage**

Next, the city will solidify plans for the shopping destination complex. Consultants working under staff’s direction will develop a Specific Plan and Environmental Impact Report for the Upper Broadway Retail Corridor. Public outreach and involvement opportunities will be offered throughout the planning process.

By taking on the early planning responsibilities, the City will be in the driver’s seat when interested developers arrive on the scene.

“That’s what Walnut Creek did 40 years ago. They created a vision and then held development to that vision,” explained Williams.

---

**RETAIL UPDATE: WEST OAKLAND**

(continued from page 2)

**MANDELA FOODS COOPERATIVE**

Mandela Foods Cooperative is poised to meet West Oakland’s need for a grocery store. The store is training its worker/owners, who live in or near West Oakland, in anticipation of a holiday season opening.

The cooperative’s goal is to improve access to healthy and affordable foods, particularly produce grown on local farms.

“We’ve developed relationships with these farms, many of which are owned by women and minorities,” said Dana Harvey, Director of Mandela Marketplace, the co-op’s non-profit, fundraising arm.

The store will also offer prepared foods and a nutritional information center.

Thanks to the support of the West Oakland Project Area Committee (WOPAC), Mandela Foods Cooperative gained the funding and City assistance needed to turn its concept into reality. In addition to a Redevelopment Program Tenant Improvement Grant, the co-op received City Council District 3 Priority Project Funds.

“We’re an example of how redevelopment programs can support community ventures,” said Harvey. “This store will build our track record so we can own a larger store within five years.”

**1430 7th Street**

www.mandelafoods.com
DISTRICTS READY FOR ACTION

The Citywide Retail Enhancement Strategy identified 53 retail nodes—concentrated shopping areas throughout Oakland’s neighborhoods. Several nodes were selected for immediate focus.

#1: Laurel District
#2: Foothill & Seminary
#3: 51st & Broadway/
Oakland Technical High School
#4: I-880 Corridor between High Street and Hegenberger Road – “The Loop”

The variety of locations, economic conditions and opportunities included in this group of retail nodes is ideal to test a mix of enhancement and redevelopment options. Retail action plans developed for each district will serve as a stepping off point for Oakland’s other nodes.

Work on the retail action plans will not affect the City’s ongoing assistance for business owners and associations in all 53 of Oakland’s concentrated retail districts.

“We will continue to support and enhance Oakland’s unique, neighborhood shopping districts while attracting national and regional stores,” said Aliza Gallo of Oakland’s Business Development Services.

Gallo and her team help existing shopping districts in a number of ways. They form business associations that share responsibility for marketing, cleanliness and safety in a particular district. Staff also helps business associations with shopping surveys and with specific needs such as identifying locations for a sit-down restaurant in the Dimond District or filling empty storefronts in the Laurel District. In addition, the unit also offers Merchant Watch workshops that discuss building improvements to enhance security.

If you are a business owner who would like to participate in these programs, contact Aliza Gallo (510.238.7405) or Keira Williams (510.238.3853) of Oakland’s Business Development Services.

“WE WILL CONTINUE TO SUPPORT AND ENHANCE OAKLAND’S UNIQUE, NEIGHBORHOOD SHOPPING DISTRICTS WHILE ATTRACTING NATIONAL AND REGIONAL STORES,” SAID ALIZA GALLO OF OAKLAND’S BUSINESS DEVELOPMENT SERVICES.
# 1: LAUREL DISTRICT
The Laurel District has been identified as a neighborhood with excellent potential to emerge as a major center for comparison goods shopping such as clothing, furniture, gifts, sporting goods, etc.

# 2: FOOTHILL AND SEMINARY
Foothill & Seminary represents an underperforming retail area. The addition of convenience goods and services would dramatically improve the quality of life in this neighborhood and surrounding areas.

# 3: 51ST & BROADWAY/ OAKLAND TECH
Private redevelopment has been planned for several sites in the 51st & Broadway/Oakland Tech node. This creates an opportunity to develop a major comparison goods center to better serve the area’s affluent residents.

# 4: I-880 CORRIDOR BETWEEN HIGH AND HEGENBERGER – THE LOOP
Planned improvements in access, visibility and retail development potential in the “The Loop” region will make it a prime location for large format stores and will complement the area’s existing shopping.
MESSAGE FROM THE DIRECTOR

GREGORY HUNTER
DEPUTY DIRECTOR OF ECONOMIC DEVELOPMENT AND REDEVELOPMENT

Residents, businesses and property owners in Oakland’s redevelopment project areas have been keenly aware of the limited retail offerings in the downtown core and the city’s most western and eastern edges. This fall, ReDeveloping Oakland focuses on the city’s current and future retail shopping scene.

Our feature article presents findings from the recently completed Citywide Retail Enhancement Strategy. Related articles highlight the fantastic shopping destination planned for the Upper Broadway Corridor as well as future actions and updates in several neighborhood shopping districts.

We’re excited that the city is moving forward to address the untapped retail potential in Oakland’s downtown and neighborhood shopping districts. The Retail Enhancement Strategy reinforces the importance of the Redevelopment Division’s work to strengthen neighborhoods, encourage investment in redevelopment areas, and support local business people and property owners through façade and tenant improvement grants.

HOLIDAYS APPROACHING

With the Bay Area’s moderate climate, winter months sometimes sneak up on us. We are a few short months from holiday celebrations and the New Year. Shopping—whether for gifts, party supplies, or ingredients in festive meals—is a traditional rite of the season.

For many years, Oakland’s residents have left the city for these holiday purchases. While the Upper Broadway shopping complex and introduction of large format stores in other areas may be several years away, there’s no reason to hit the highways again this year. Oakland’s unique shopping districts provide a number of one-of-a-kind products and experiences.

As the holiday season approaches, we encourage you to spend your shopping dollars in Oakland. The article on page 7 describes the Shop Oakland program, an innovative collaboration between the City of Oakland and the Oakland Merchant Leadership Forum. Use this article as a starting point for your shopping plans this season.

For information on holiday events, activities and a listing of local retailers go to www.shopoakland.com.

Have a safe and joyous holiday season!

Gregory D. Hunter
HOMETOWN FOR THE HOLIDAYS

Before you head out to a generic mall this holiday season, consider shopping at one of the 40-plus unique retail districts in Oakland. The experience will be a lot more festive, and meaningful, than you may have imagined.

“When you shop locally, you are on a more intimate level with the people in your community,” said Shari Godinez, Program Manager for the Oakland Merchant Leadership Forum (OMLF). “You may run into your neighbor or enjoy conversations with business owners. You get into the spirit on a local level.”

Godinez adds that shoppers are more likely to find a one-of-a-kind gift and enjoy a great meal in a neighborhood retail district than at chain stores and food courts.

SPIRITED CELEBRATIONS

Many shopping districts host holiday events featuring musical performances, unique cultural traditions or special discounts. OMLF coordinates activities to minimize overlap so shoppers can enjoy a celebration with a different flavor each weekend of the season.

Each year, OMLF and Shop Oakland produce their popular “Shop Oakland” bags with the names of every shopping district from Lake Merritt and Glenview to Fruitvale and Chinatown printed on the sides. This year, the organizations have partnered with Oakland Recycles to produce reusable totes rather than paper bags. Merchants will receive 100,000 reusable bags in time for the post-Thanksgiving Day rush and offer them free to customers while supplies last.

“Instead of Black Friday, we’re calling the day after Thanksgiving ‘Green Friday’ this year,” said Godinez.

CITY SUPPORT

Spending money locally also has far-reaching effects.

“Shopping in Oakland is a must this holiday season—and year-round,” said Samee Roberts, Marketing Manager for the City of Oakland. “The sales tax revenue generated from shopping purchases funds vital city services we residents rely upon every day including police, fire, parks, libraries and youth programs.”

To support local sales, the City’s Cultural Arts & Marketing Division coordinates a cooperative advertising program for the Shop Oakland campaign so merchants’ ads can appear in newspapers, magazines and other media at affordable rates. The City offers grants towards annual street fairs hosted by merchants’ organizations and also produces the Shop Oakland Passport, a guide to local shopping. The second edition of this popular publication is due in late spring 2009.

For a complete list of Oakland’s retail districts and business listings plus updates on holiday events, go to www.shopoakland.com.

WHY SHOP LOCALLY?

- #1 Empower local communities.
- #2 Keep jobs and money in the community.
- #3 Help people become entrepreneurs.

Adapted from www.oaklandunwrapped.org.

REDEVELOPING OAKLAND | 7

BRIDGING THE RETAIL GAP

(continued from page 2)

RETAIL PRIORITY

The City of Oakland is committed to making retail enhancement a central focus of its government function. To start, staff will review the existing tax structure and other City requirements for possible impacts to retailers. Staff will also identify any policy changes needed to attract new grocery stores.

The Redevelopment Division will continue its work in support of business owners through the Façade and Tenant Improvement Programs, Commercial Revolving Loan Fund, Small Retail Loan Program and the Commercial Security Pilot Program. (See the July 2008 issue of ReDeveloping Oakland for a complete list of redevelopment programs.)

Efforts to implement Oakland’s Retail Strategy have already begun, and results will take shape over the next few years. As the recommendations evolve into plans, then designs, then brick-and-mortar changes, Oaklanders will see more of the retail mix they have wanted for so long. Residents will enjoy the convenience, selection and cost savings offered by large format comparison goods stores and supermarkets in healthy competition for local business. The city’s treasured shopping districts will also flourish and retain their unique character.

WHY SHOP LOCALLY?

- #1 Empower local communities.
- #2 Keep jobs and money in the community.
- #3 Help people become entrepreneurs.

Adapted from www.oaklandunwrapped.org.
MARK YOUR CALENDARS...

for the 9th Annual Comcast Oakland Holiday Parade on Saturday, December 6, 2008.
The parade steps off at 2:00 p.m. and marches up Broadway from 11th to 20th and then over to Harrison.
For more information, visit www.oaklandholidayparade.com or call 510.874.4800

PHOTOS COURTESY OF THE OAKLAND METROPOLITAN CHAMBER OF COMMERCE