



City of
OAKLAND
California

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News from: **Community & Economic
Development Agency**

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New Target Store means Jobs, Revenue for Oakland

Oakland, CA – With the opening of the 140,000-square-foot Target store on the Oakland-Emeryville border, the retailer brings job opportunities and an additional shopping option for Oakland residents and much-needed revenue for the City of Oakland. Target is the latest national retailer to enter the Oakland market, joining the likes of Whole Foods and Walmart in discovering the large demand for retail in the East Bay’s largest city. To assist Target, the City of Oakland assembled a multi-agency team with representatives from Building Services, Planning & Zoning, Economic Development, Fire Services and Public Works to work in partnership with the retailer’s construction and development team in order to open the store on budget and ahead of schedule.

“Target has been a very good partner,” said Mayor Jean Quan. “Because Oakland is one of the most underserved retail markets in the nation, it is also ripe for investment. We would like to see other national chains come to Oakland, which is ripe for a downtown Target or other similar store. If people were able to buy closer to home, even if just by increasing our buying in Oakland by 25%, it would bring \$10 million a year to our city during these tough times.”

The conversion of the former Expo Design site to house the Target store required expanding the building. Target was able to complete the expansion quickly thanks to expedited plan check and building permit approvals by the Planning & Zoning and Building Services divisions in the City of Oakland’s Community & Economic Development Agency (CEDA). Subsequent building inspections were also handled efficiently and expeditiously.

To identify potential employees, Target, working with the City of Oakland’s Workforce Investment Board (WIB) and its workforce development partner – the Oakland Private Industry Council, hosted three recruitment sessions in mid-January. The sessions attracted some 1,500 applicants with 500 on-site interviews held for the 300 positions generated by the store opening. The WIB assists in connecting Oakland employers with the city’s large, diverse applicant pool.

Some 300 tons of debris, weeds and trash were removed by BNSF Railway from its 10-acre parcel along Wood Street. This cleanup action followed months of discussions between BNSF, CEDA’s Economic Development staff and the West Oakland Business Alert Group that wanted to ensure shoppers traveling to the new Target store via the rear entrance had a visually pleasant experience. Union Pacific and the California Department of Transportation (Caltrans), who also have property along the rear entrance, removed weeds and debris, too. The Public Works Agency augmented the private sector cleanup by gathering illegally dumped trash from public property along Wood Street.

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CEDA staff provided Target with information on the Oakland Enterprise Zone's hiring tax credit. For each qualified employee, the credit can equal up to \$37,440 over a five-year period dollar-for-dollar against California state income tax due.

Grand opening assistance was provided by CEDA's Economic Development and Redevelopment staff members including a Welcome Target message on the giant electronic sign along I-880 near the Coliseum.

Located in the East Bay Bridget Retail Center, the sales tax revenue generated by the new Target store is subject to a 1994 Revenue Sharing Agreement between the cities of Oakland and Emeryville. The agreement states that revenues generated from sales taxes, business license taxes, real estate transfer taxes and utility taxes will be split with two-thirds going to Emeryville and one-third going to Oakland. This revenue division approximates the ratio of land on which the retail center is located: 34 acres are in Emeryville and 16 acres are in Oakland.

Projections suggest that the new Target store will generate between \$350,000 and \$500,000 in sales tax revenue annually with a net remittance of between \$134,000 and \$181,000 to the City of Oakland. In 2009, the last full calendar year for which data is available, the City of Oakland collected \$32.6 million in sales tax revenue.

During the March 1 Media Preview, Quan thanked Target for coming to Oakland and invited the national retailer to consider other locations within the city. CEDA officials hope the City's expeditious service and team approach will encourage other national chains to invest in Oakland's retail market.

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