

Oakland General Plan Update 2045

Industrial Lands
Focus Group #2



OAKLAND 2045
GENERAL PLAN

October 26, 2022

Ground Rules

- One Mic, One Speaker- Please allow one person to speak at a time
- Treat one another with respect
- Use “I” Statements- use “I feel, I think, I believe” instead of generalizing
- Challenge the idea, not the person
- At this meeting, acknowledge existing conflict, assume good intentions and look for shared opportunities
- Expect unfinished business- not everything will be or can be addressed in this meeting, but all feedback is noted
- Focus on meeting topic. Other issues are important, and being addressed through different meetings/processes

Objectives and Agenda

- Recap of Focus Group 1
- Provide background information on history, key trends in industrial lands and work completed to-date
- Continue discussion on vision, issues, and opportunities for the future of industrial land in Oakland

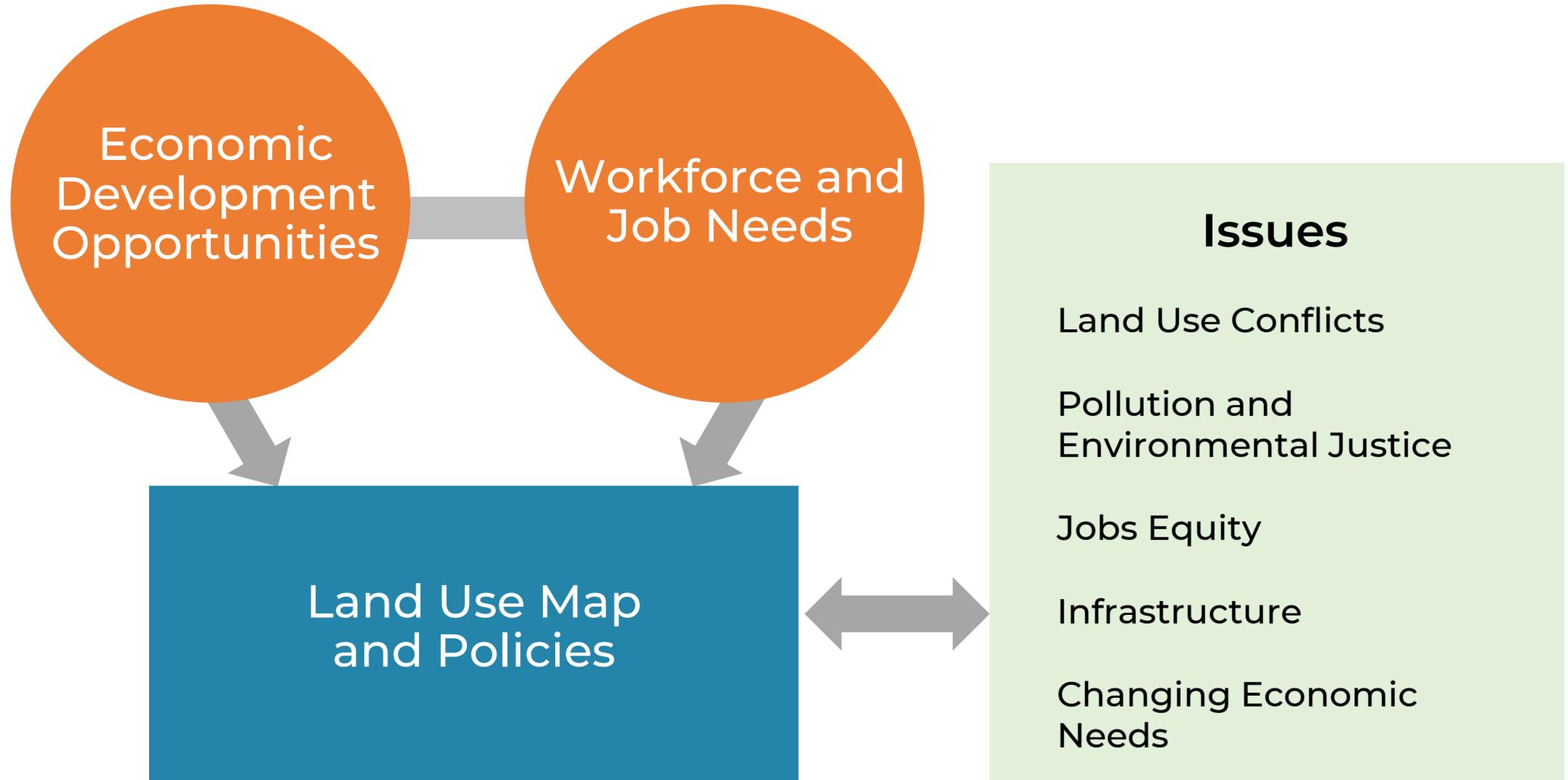


Industrial Lands Study Purpose

- Current challenges and future trends affect the industrial landscape
- General Plan represents an opportunity to plan for a vision for this sector and create forward-looking policies
 - **Phase I: Recommendations**
 - **Phase 2: Land use alternatives and policies**



Opportunities + Needs

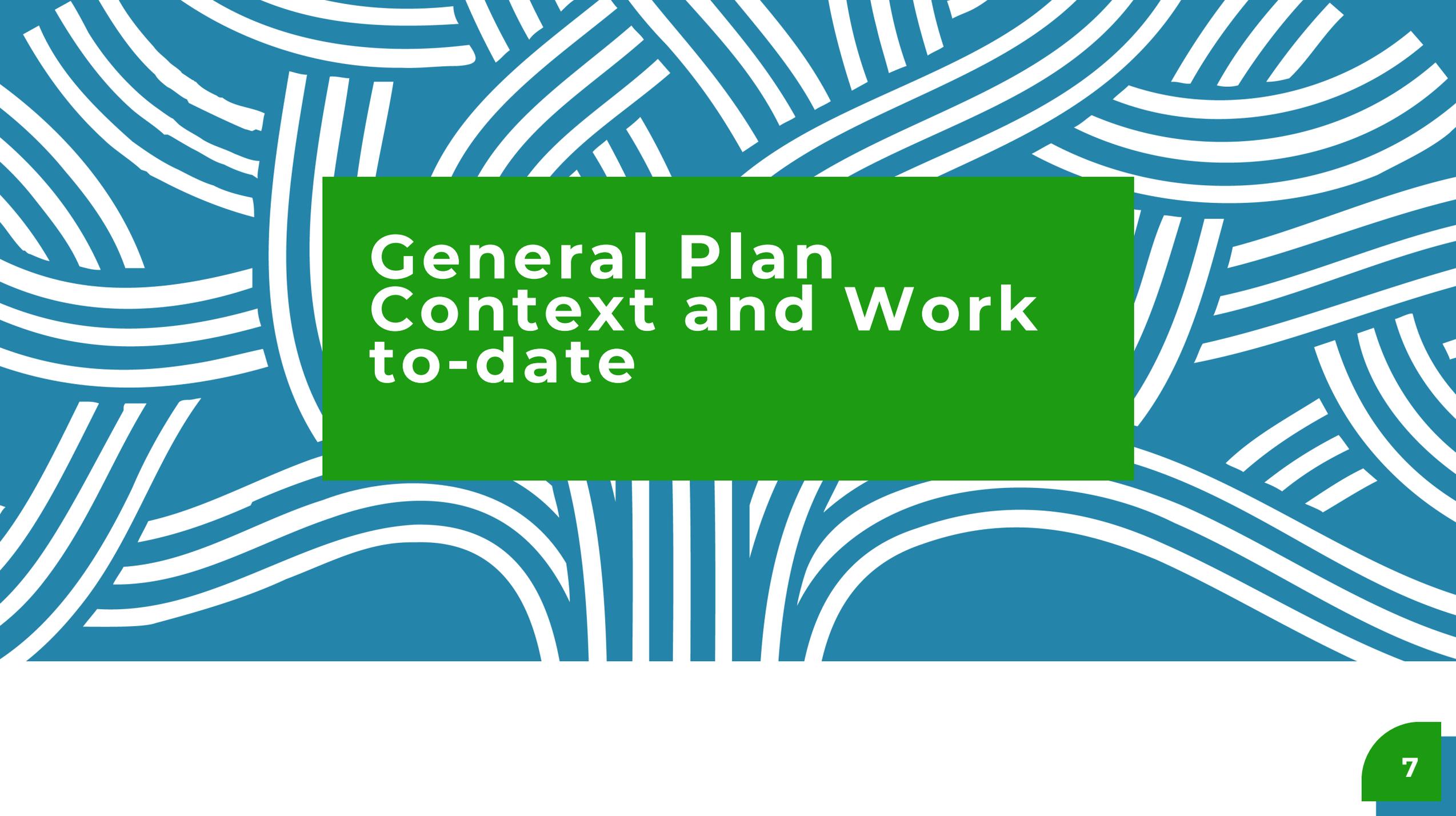


Discussion

Industrial Land Uses. In the future, what type of industrial land uses do you envision in different parts of Oakland?

Opportunities for Equity. What opportunities do you see to reconcile the future of industrial land with environmental justice issues? How can the City work to overcome issues (pollution, burdened communities, residential/industrial conflicts, workforce development, etc.)?

Needed Changes. What type of changes are needed to accommodate the type of industrial land use you would like to see in Oakland in the future?



General Plan Context and Work to-date

Phase 1: November 2021 - 2023



HOUSING

Addresses housing needs, at all income levels (2023-2031)

- Protect tenants and keep people in their homes
- Preserve existing stock of affordable housing
- Produce more affordable housing – lower-income
- Where housing should go



SAFETY

- Identifies natural and human-made hazards (wildfire, earthquake, climate change, flooding, etc.) and ways to reduce impacts



ENVIRONMENTAL JUSTICE

- Addresses health risks in pollution-burdened, low-income communities.



INDUSTRIAL LANDS Vision

- Complements EJ Element
- Addresses job creation and industry impacts
- Direction for policies related to innovation-based manufacturing and sustainable “high-road” jobs in alignment with ECAP, WOCAP, etc.

Phase 2: 2023 – 2025



OPEN SPACE, CONSERVATION & RECREATION (OSCAR)



NOISE



LAND USE & TRANSPORTATION

Includes Estuary Policy Plan
for areas below Interstate 880



INFRASTRUCTURE AND FACILITIES ELEMENT

Overarching goals and policies for city
infrastructure and
capital improvements over the long term.

Focus Group Themes

Focus Group 1

- Economic growth possibilities
- Port of Oakland
- Feasibility and pros/cons of each industrial subsector (logistics, advanced manufacturing, life sciences, etc.)

Focus Group 2

- Look and feel of Oakland's manufacturing districts, building stock characteristics, and infrastructure quality
- Zoning to achieve outcomes for desired types of industrial land uses
- Social and environmental justice issues

Recap: Focus Group 1

- Limitations of Port land and growth opportunities
- Challenges in land use buffering- balancing industrial land uses with sensitive uses
- Concerns about employee safety and security and overall work districts “environment”
- Concerns related to permitting times, desire for smaller manufacturing spaces, cost of real estate
- Need for better road infrastructure, power, and fiber optics

History

Industrial Lands History

1930s-1950s

Oakland's first two industrial zoning districts established "Light-" and "Heavy-Industrial" (often designated over residential uses thus making those uses "non-conforming")

2008-2009

Industrial Zoning Update: CIX, IG, IO zones created; S-19 buffer created for hazardous materials; special rules to reduce impacts from recycling operations

1960s

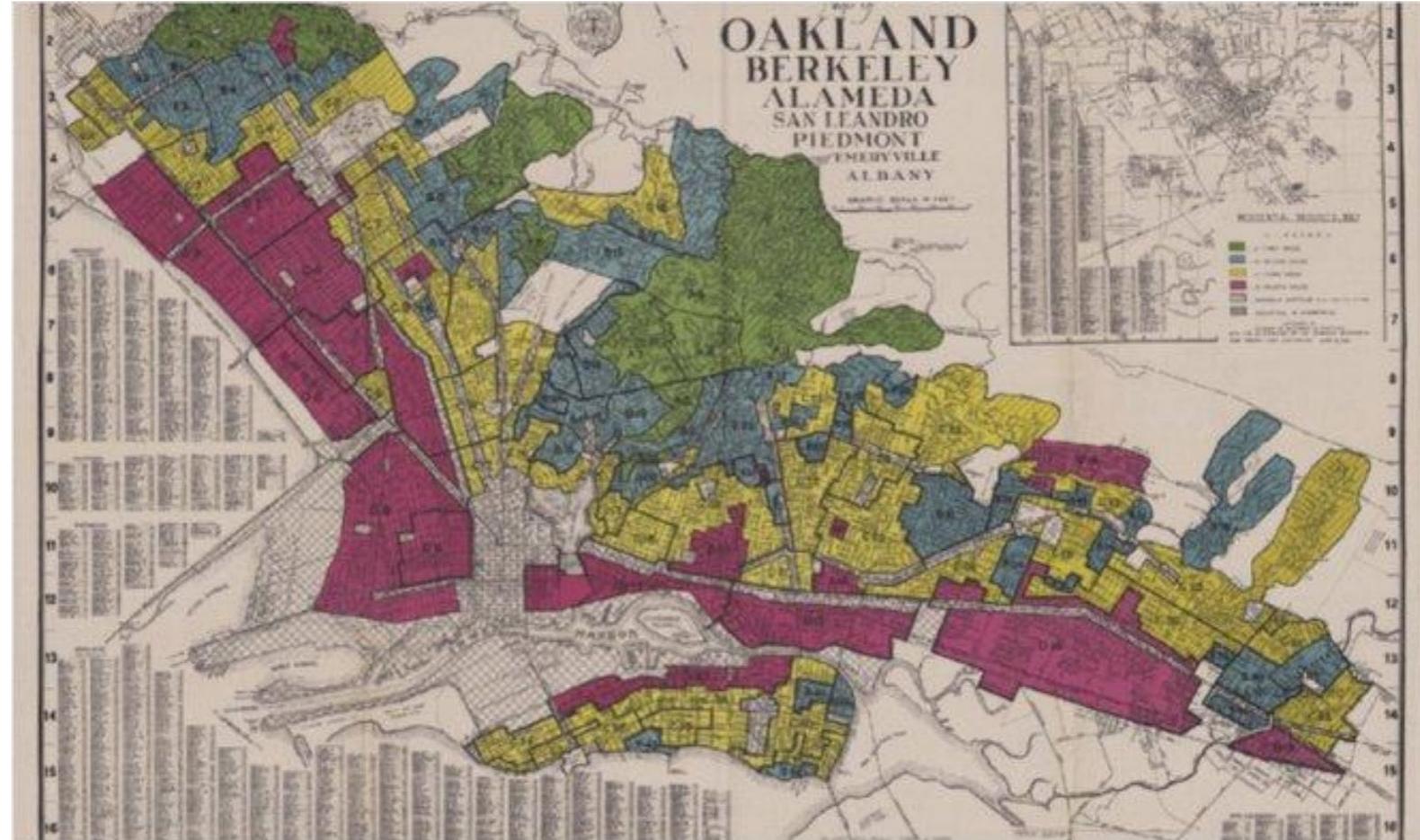
Industrial zones updated to the M-20, M-30, & M-40 zones, often adjacent to residential zones (and includes the "non-conforming" residential uses from the original industrial zones)

2014

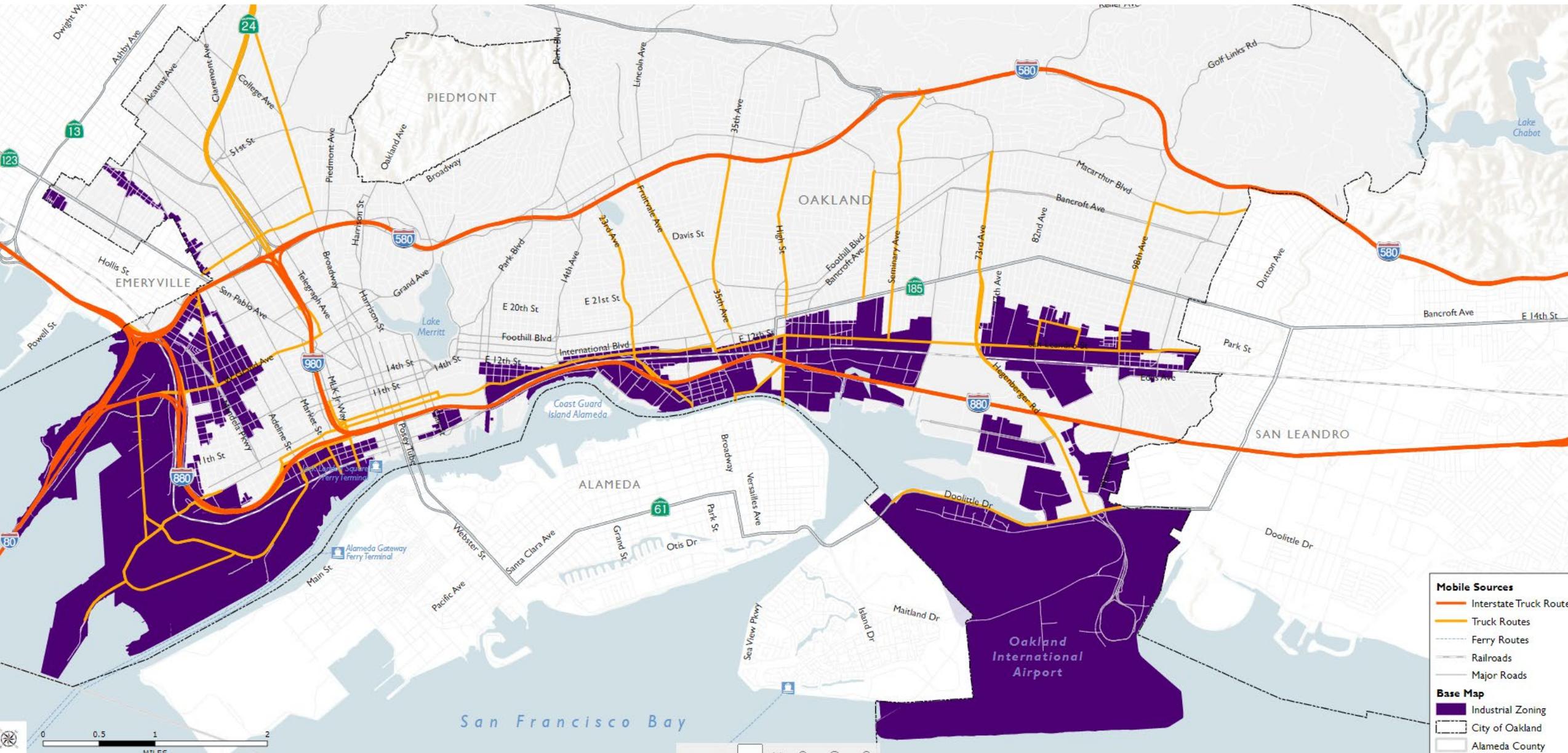
Industrial Zoning Update for West Oakland, many heavy industrial uses were prohibited

Siting of Industrial Land

- Historically redlined communities more likely to be located near industrial lands
- Historically redlined census tracts in California have significantly higher rates of emergency department visits and worse health outcomes than non-redlined census tracts



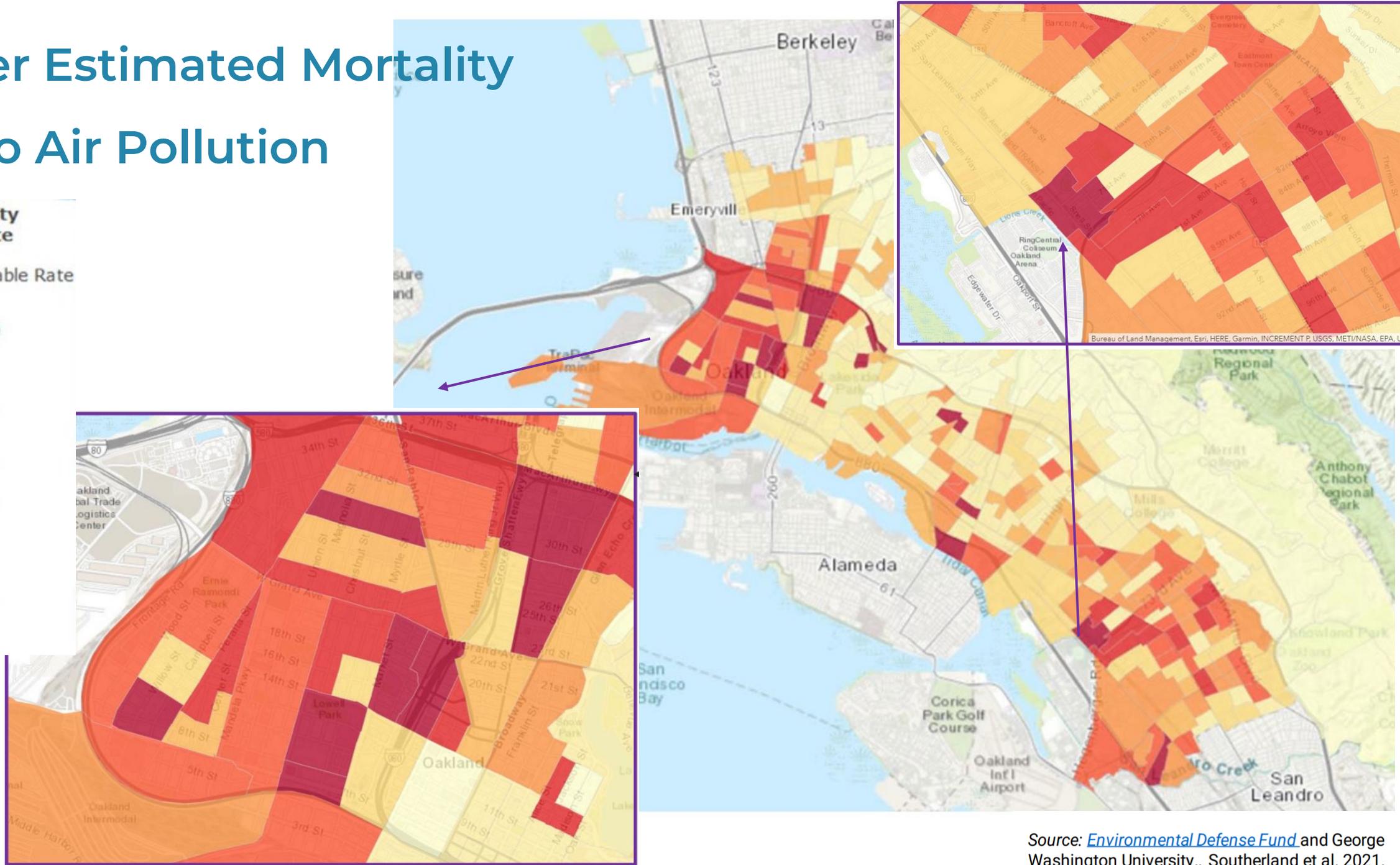
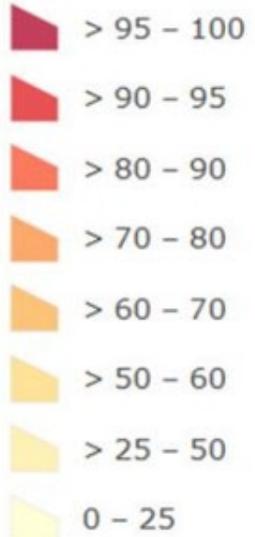
Industrial Lands Today



Higher Estimated Mortality due to Air Pollution

Average Mortality Attributable Rate

Mortality Attributable Rate Percent Rank



Source: [Environmental Defense Fund](#) and George Washington University.. Southerland et al. 2021.

Work To-Date

2020

- “Current Conditions Report: Industrial Land Uses and Business Activities in Oakland,” Hausrath Economics Group, March 2020.

2021

- Community meetings and research on preliminary Planning Code updates to strengthen industrial land protection and address land use conflicts. *The General Plan effort is building on this work.*

2022

- Economic Trends and Prospects Report (June 2022)
- Focus groups with Environmental, Life Sciences and Commercial Developers (May 2022)
- West Oakland Toxics Tour (hosted by West Oakland Environmental Indicators Project, August 2022)

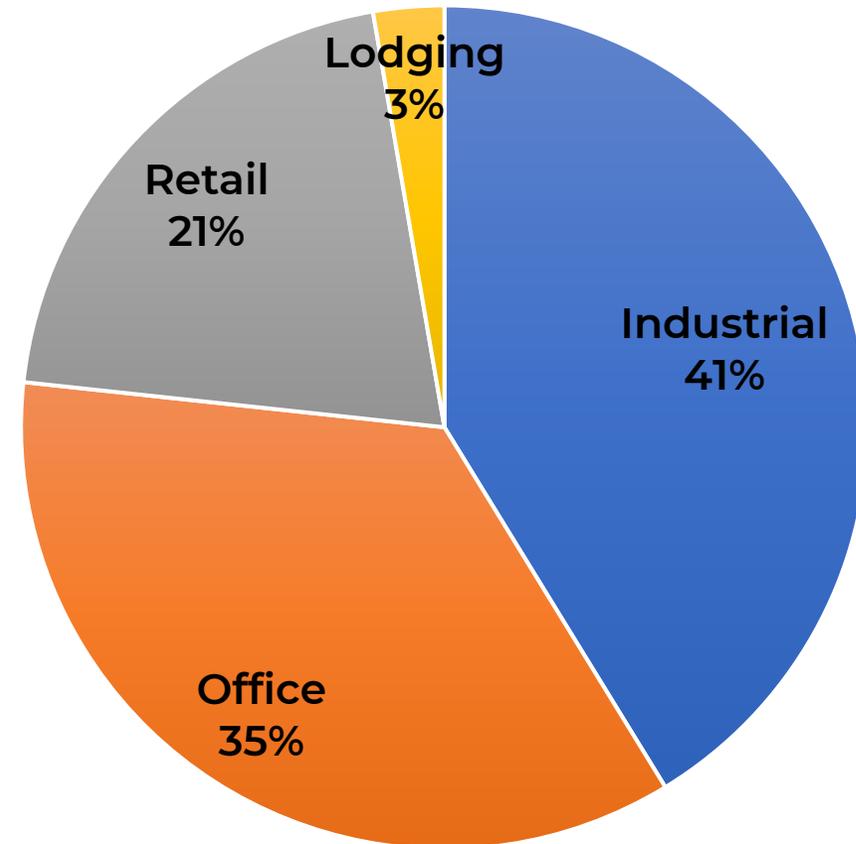


Challenges and Opportunities for Industrial lands

Industry and the Economy

- The industrial sector leads the city in terms of sheer building space
 - Likely represents a much larger share of commercial land area (due to low average square feet per acre of land, or “FAR”)
 - Lower employment density compared to office and retail

Distribution of Commercial Real Estate Space in Oakland



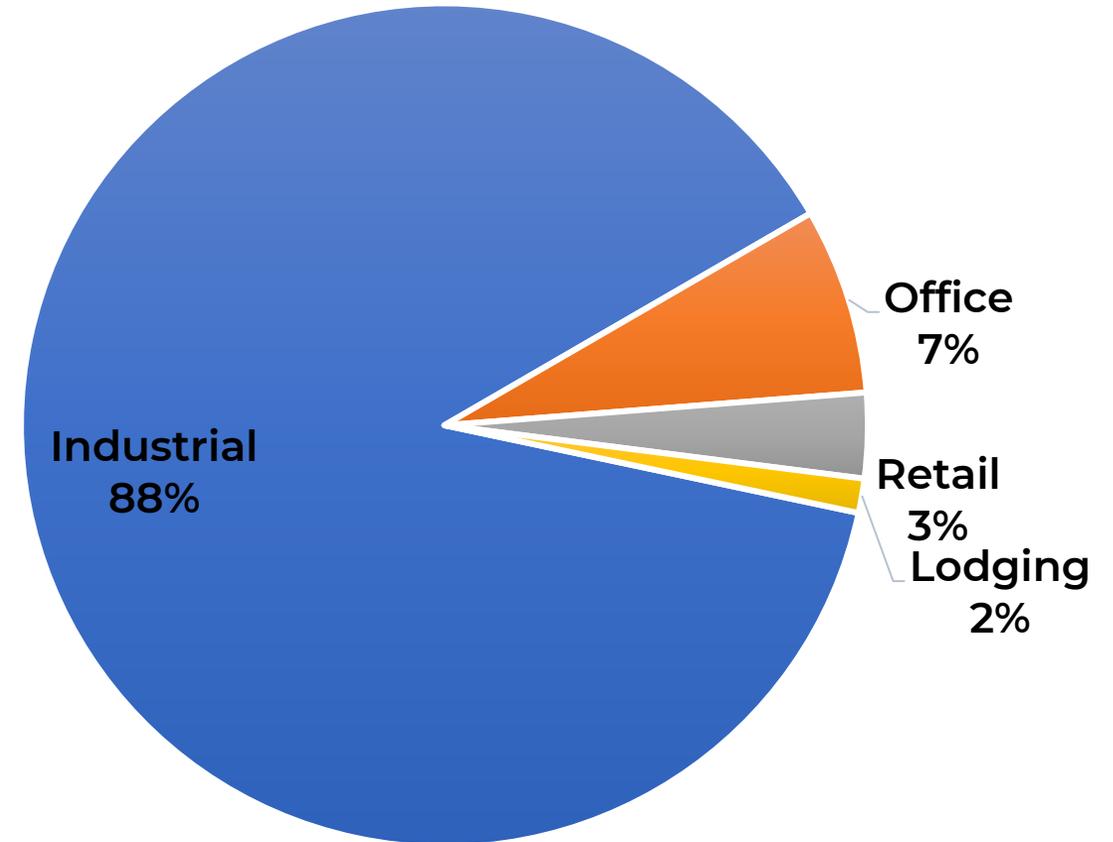
Note: Assumes 500 sq.ft. per room for Lodging

Source: “Economic Trends and Prospects,” Economic & Planning Systems, Inc. (2022).

Industry and the Economy

- Industrial Lands mostly made up of industrial properties, but contains small amounts of office, retail, lodging, and residential
 - Airport and Seaport make up half of land area in Industrial Lands
 - ≈ 60% of all properties in the area are logistics facilities (warehouses and distribution centers)
 - ≈ 17% are manufacturing facilities

Distribution of Commercial Real Estate Space in Industrial Lands

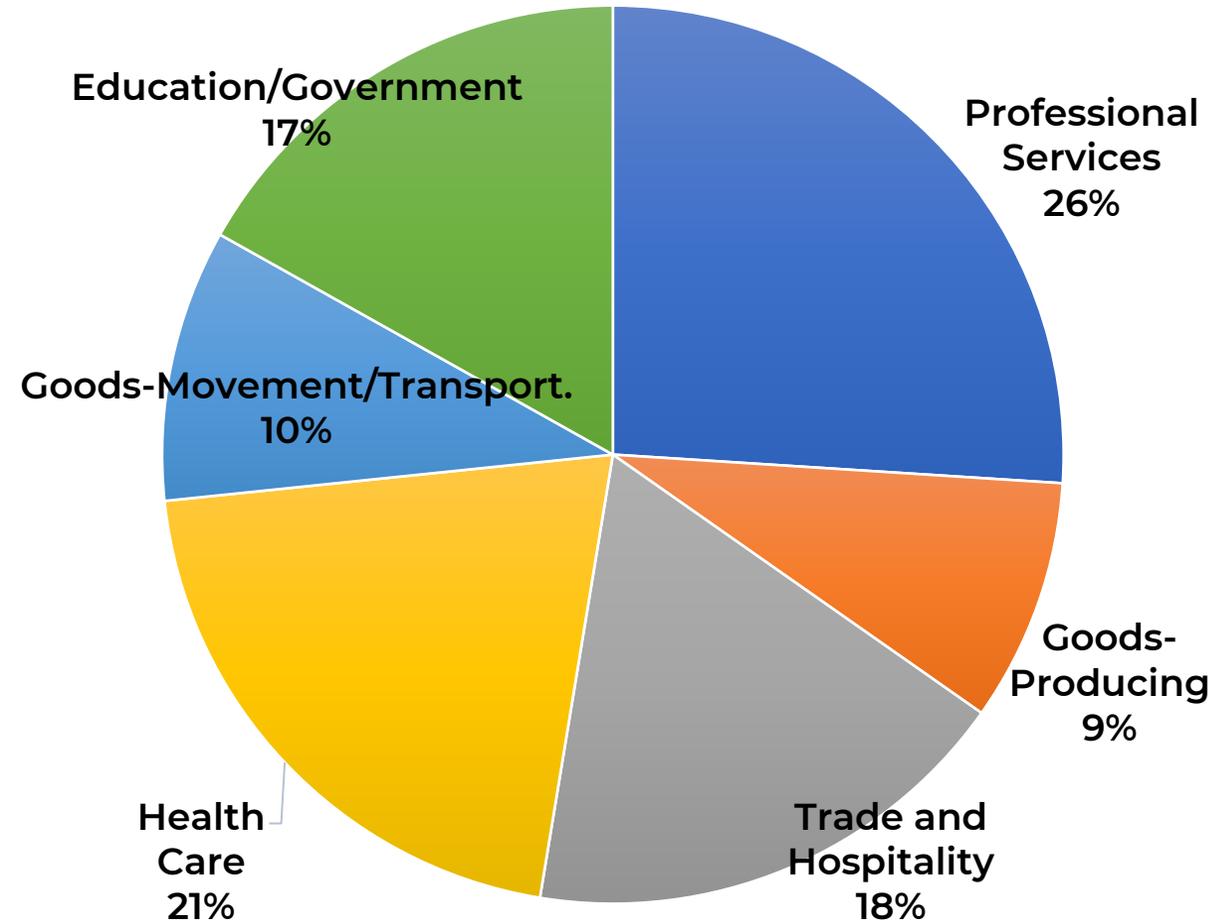


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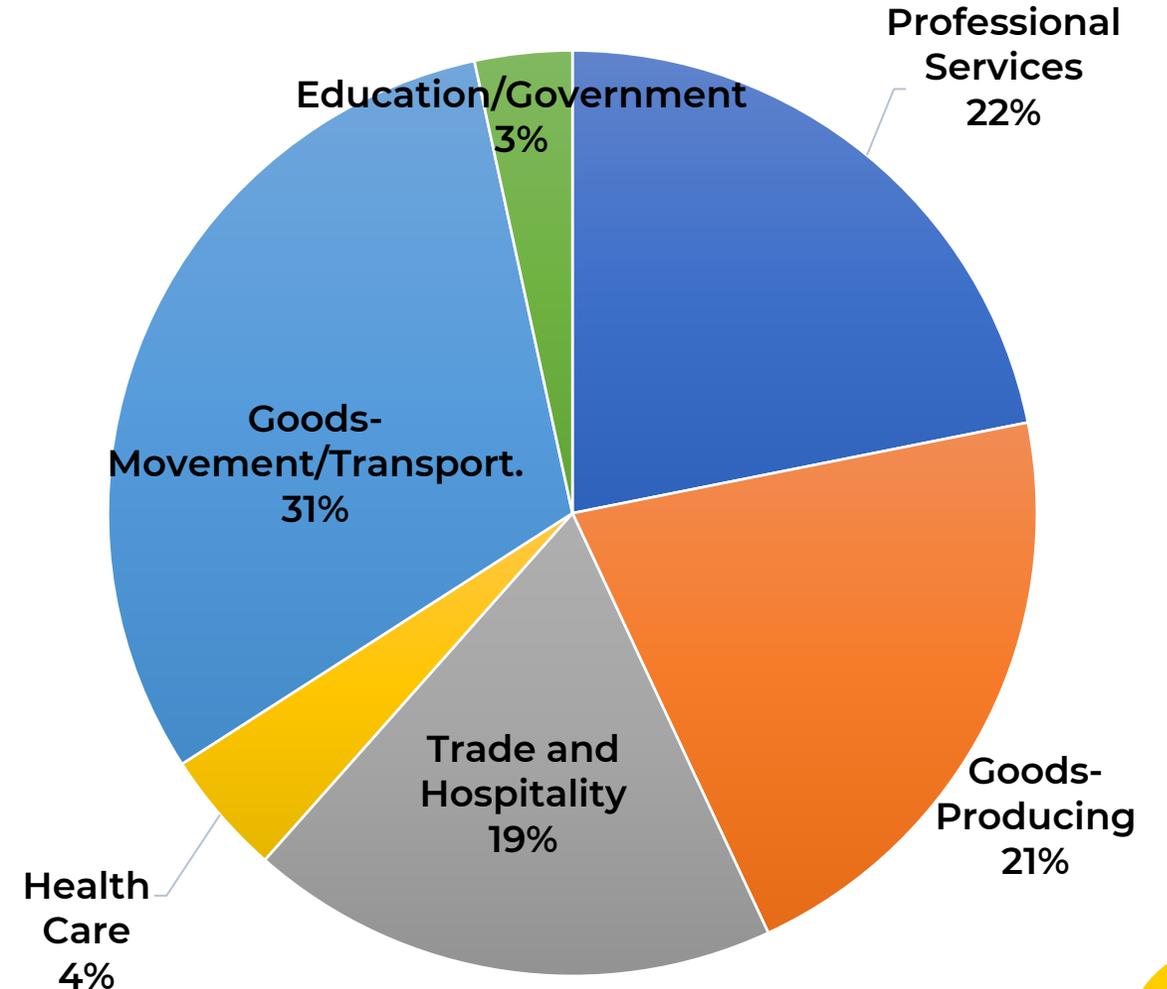
Source: "Economic Trends and Prospects," Economic & Planning Systems, Inc. (2022).

Industry and the Economy

Employment Distribution
in Oakland



Employment Distribution
in Industrial Lands

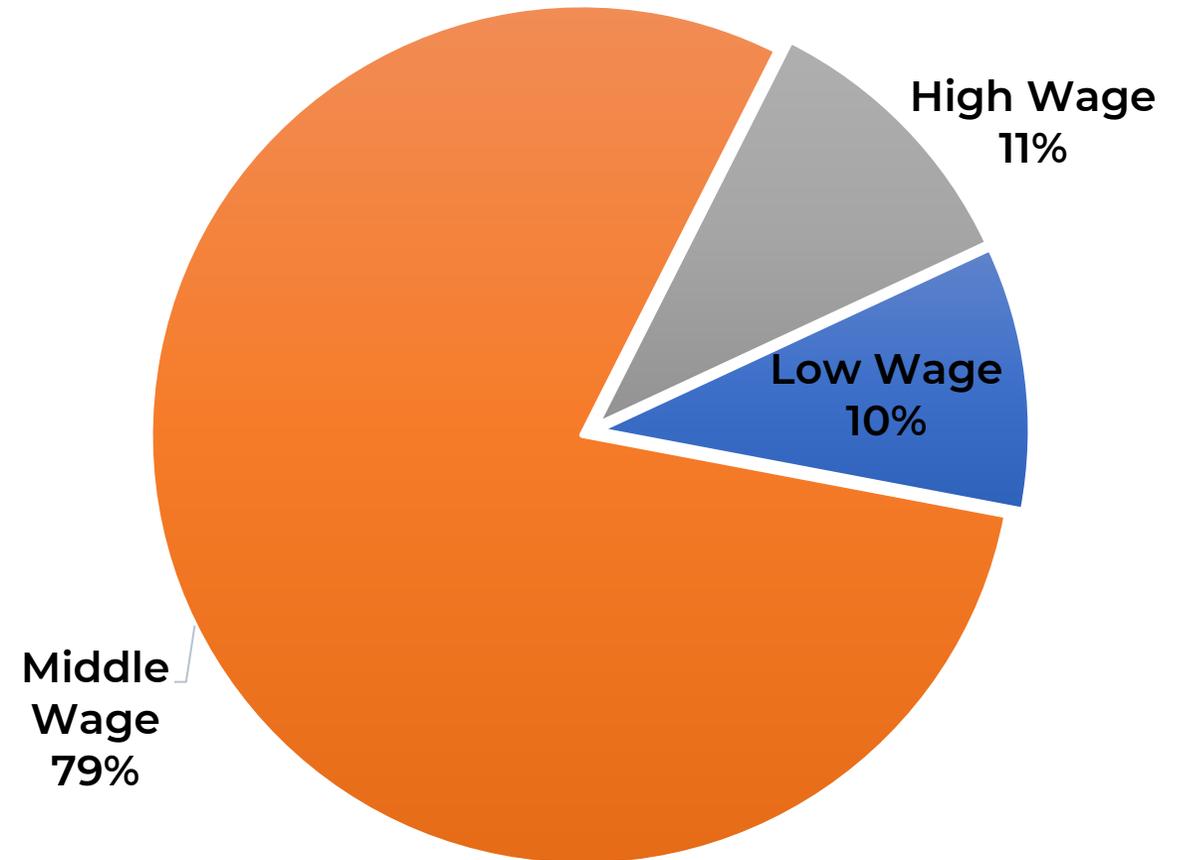


Source: "Economic Trends and Prospects," Economic & Planning Systems, Inc. (2022).

Industry and the Economy

- 80% of ~34,000 jobs in industrial sector are middle-wage jobs
- • Most of these jobs are available to people without a four-year college degree
- ~60% of Oaklanders do not have a bachelor's degree or higher

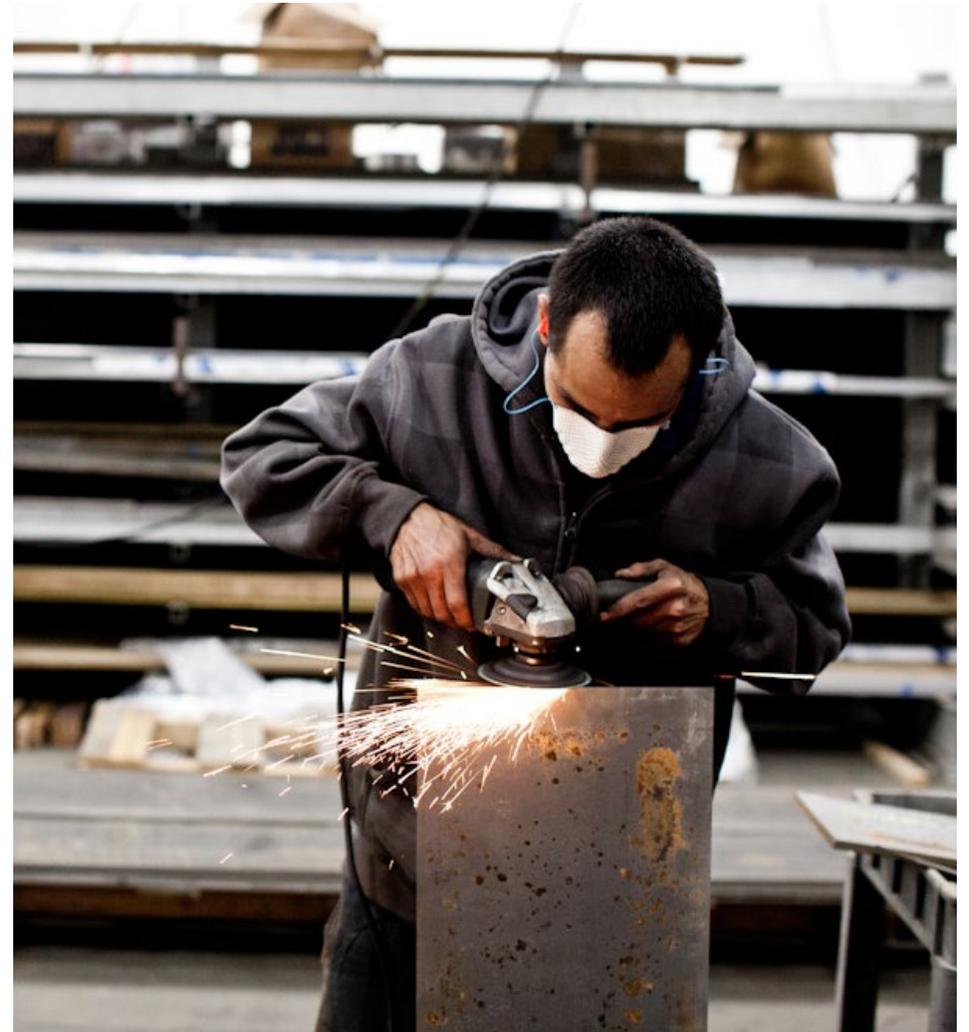
Wage Distribution



Source: "Economic Benefits of Industrial Land and Business Activities in Oakland," Hausrath Economics Group, March 2020.

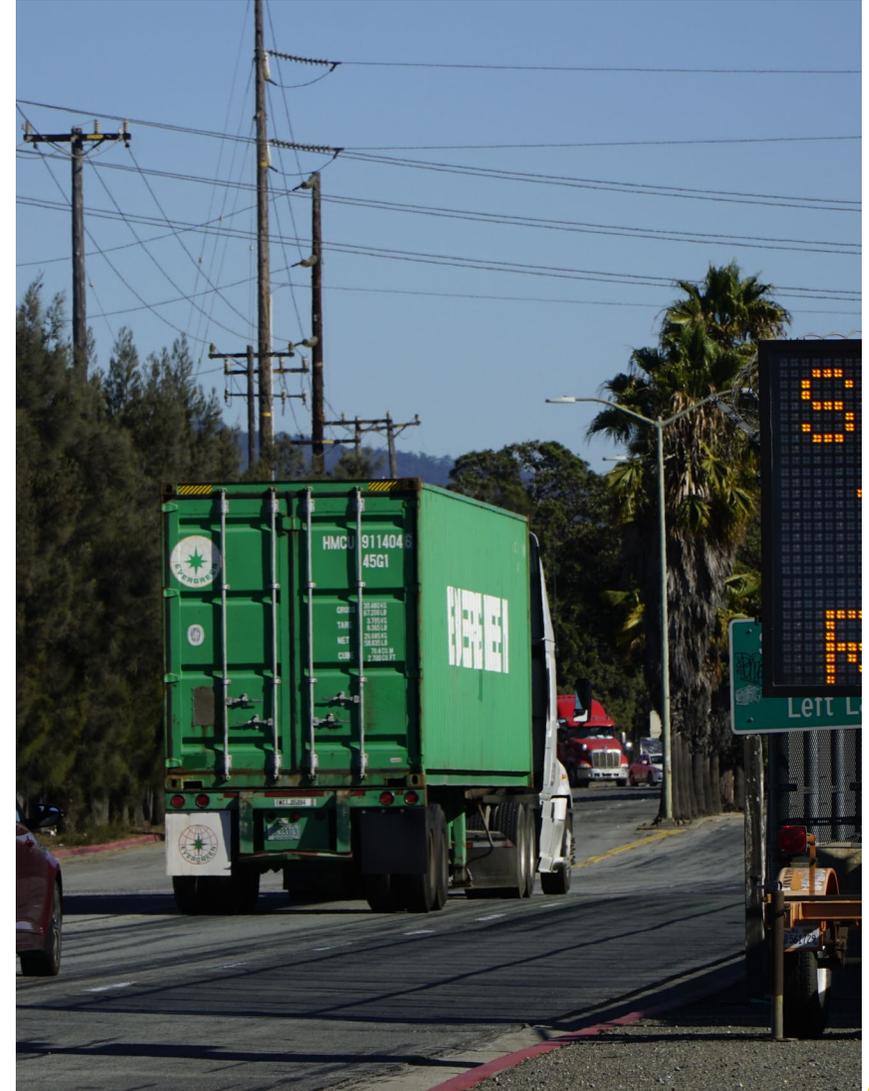
Industrial Opportunities

- Port growth – warehousing and distribution growth
- Strong regional market for biotechnology (although not present in Oakland)
- Potential for other industrial uses (green energy, etc.)
- Older industrial uses that may be at the end of their lifecycle
- Increased growth of small-business manufacturers engaged in artisan-style work



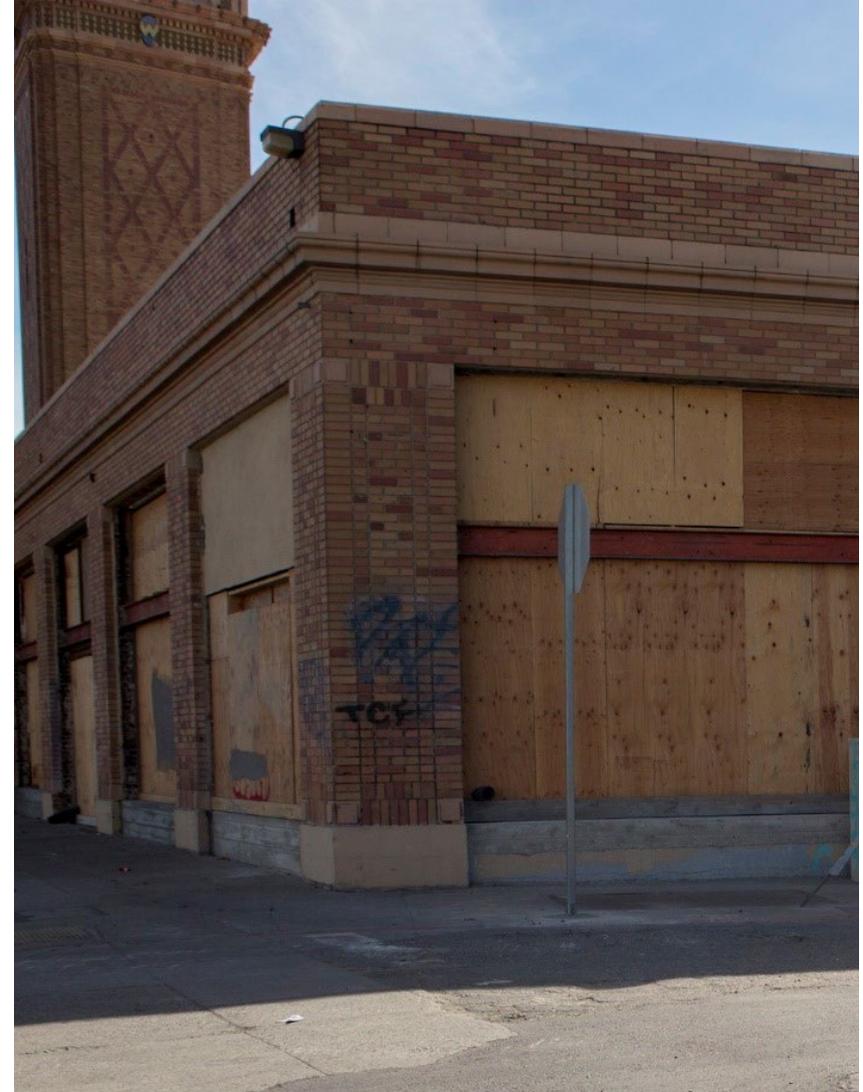
Land Use Conflicts

- Parts of Oakland's industrial lands share the highest pollution burdens in the state.
 - Mainly due to diesel particulate matter
 - Concentrated in West Oakland, Fruitvale, and "Deep East" Oakland
 - Legal and illegal truck routes run through neighborhoods
- Residential and industrial uses are in close proximity
 - Historic zoning of industrial uses near low-income communities



Property and Infrastructure Constraints

- **Infrastructure deficiencies**
 - Water lines need upsizing (for all uses)
 - Streets not safe for pedestrians and cyclists
 - Severely inadequate pavement
 - Infiltration/inflow is a concern for sewers (citywide issue)
 - Sea-level rise and flood zone
 - Liquefaction / seismic issues
 - Utility upgrades (power, gas, comm., fiber) needed for more intensive use
- **Property Inventory**
 - Building stock old and lacking investment
 - Properties are underutilized



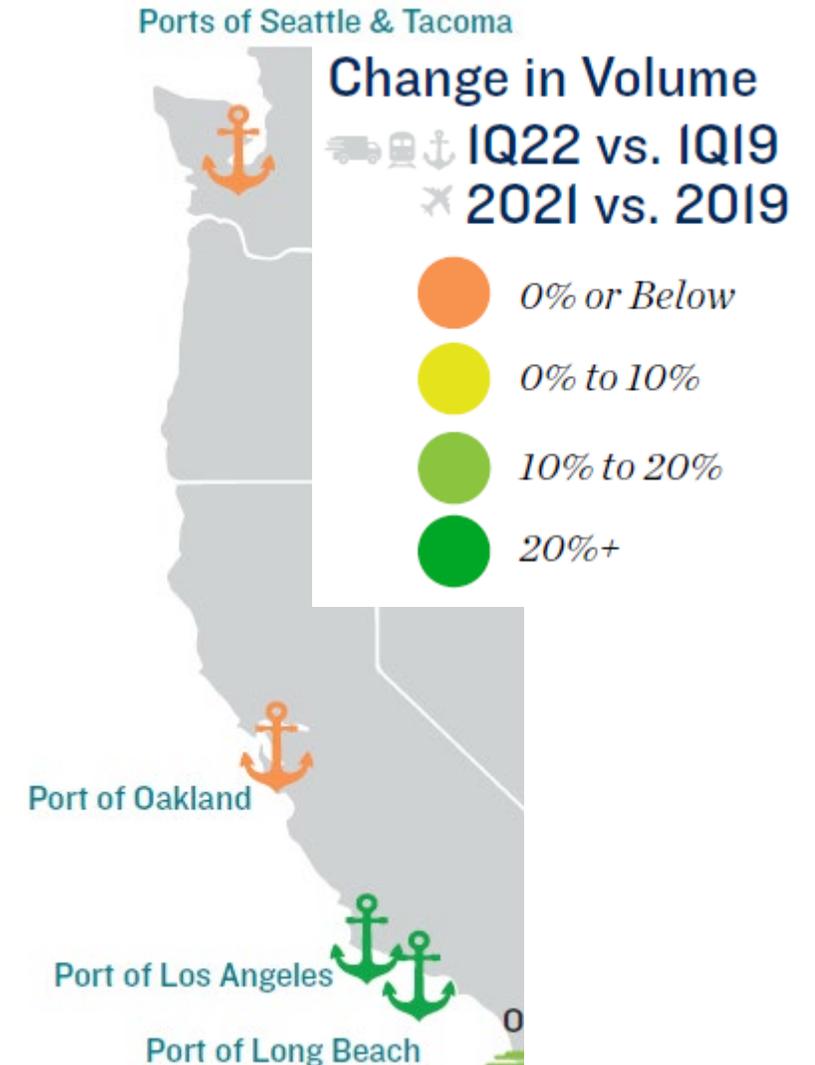
Regional Growth in Life Science Sectors

- Bay Area has world-class agglomeration of Life Science Sectors
 - Strong clusters in Berkeley, Emeryville, and Alameda
 - Supported by UC Berkeley, industry leaders (e.g., Bayer and Zymergen) and healthcare (e.g., Kaiser, Sutter, and Summit), and others
- But constraints to addressing regional demand in Oakland include:
 - Infrastructure challenges (from previous slide)
 - Pollution from goods-movement activity
 - Unhoused encampments
 - Entitlement risk



The Port's Changing Competitive Position

- Port is losing market share
 - Port cannot expand
 - Sierra Nevada is a bottleneck for goods-movement
 - Other ports (e.g., Port of Seattle) closer to key export markets in East Asia
- But this opens the door for other opportunities:
 - Entertainment (e.g., waterfront ballpark)
 - Other sectors (green tech, food and beverage, maker space)
 - Doubling down on niche role
 - Nation's leading exporter of high-quality agricultural commodities
 - Serving the Northern CA consumer market



Discussion

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Opportunities for Equity. What opportunities do you see to reconcile the future of industrial land with environmental justice issues? How can the City work to overcome issues (pollution, burdened communities, residential/industrial conflicts, workforce development, etc.)?

Needed Changes. What type of changes are needed to accommodate the type of industrial land use you would like to see in Oakland in the future?

- Zoning reforms
- Building improvements
- Infrastructure improvements
- Public realm improvements
- City services, programs, or partnerships
- Others?

Next Steps

- Industrial Lands Study Fall 2022
- EJ and Safety Element public drafts Spring 2023
- General Plan website: <https://www.oaklandca.gov/topics/general-plan-update>
 - **Sign up for updates!**

Backup

2021 Industrial Lands Proposal: Issues/Opportunities

- In order to grow, the Port needs transportation connectivity (via rail and truck routes, including the overweight truck route corridor) without major conflicts (such as pedestrians, bikes, and vehicles).
- Ancillary maritime services are needed near shipping activities and truck routes.
- Minimize industrial land use conflicts.
- Maintain industrial waterfront as part of Downtown Oakland Specific Plan.
- Industrial buffer to separate heavier industry from Jack London tourism district.
- How can similar conditions be placed on residential development to prevent residential encroachment on industrial land?
- Consider amortization of non-conforming uses.
- More dramatic changes are needed to realize environmental justice.
- Consider increasing distance requirement between heavy industry and residential to more than 500 feet.