

Oakland General Plan Update 2045

Industrial Lands
Focus Group #1



OAKLAND2045
GENERAL PLAN

May 23, 2022

Objectives

- Provide overview of General Plan process
- Introduce the purpose of the Industrial Lands study
- Provide background information on key trends in industrial lands and work completed to-date
- Discuss vision, issues, and opportunities for the future of industrial land in Oakland





General Plan Context and Work to-date

Phase 1: November 2021 - early 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
- Policies for innovation-based manufacturing and **sustainable “high-road” jobs** in alignment with ECAP, WOCAP, etc.

Phase 2: Early 2023 – July 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.

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**



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
- Social and environmental justice issues

Trends

Industrial Lands Then and Now

Then

- City of Oakland has been hub of industrial activity since 1852
 - **West Oakland – railroad industry**
 - **East Oakland – food processing and auto manufacturing**

Now

- Industrial sector is an important contributor to city's economy
 - **Employs ~ 33,500 people in ~ 1,100 businesses**
 - **18.4 percent of total wage and salary employment in city**

Industrial Lands Today



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

Work To-Date

2020

- “Economic Benefits of Industrial Land and Business Activities in Oakland,” Hausrath Economics Group, March 2020.

2021

- Port Prime Lands Overlay and updates to the Planning Code to restrict conflicting land uses in industrial zones as near-term strategies to strengthen industrial land protections until a comprehensive industrial lands policy is developed as part of the General Plan update process.
- Planning Code Amendments to reduce emissions exposure as a near-term strategy before the General Plan Environmental Justice Element is prepared.

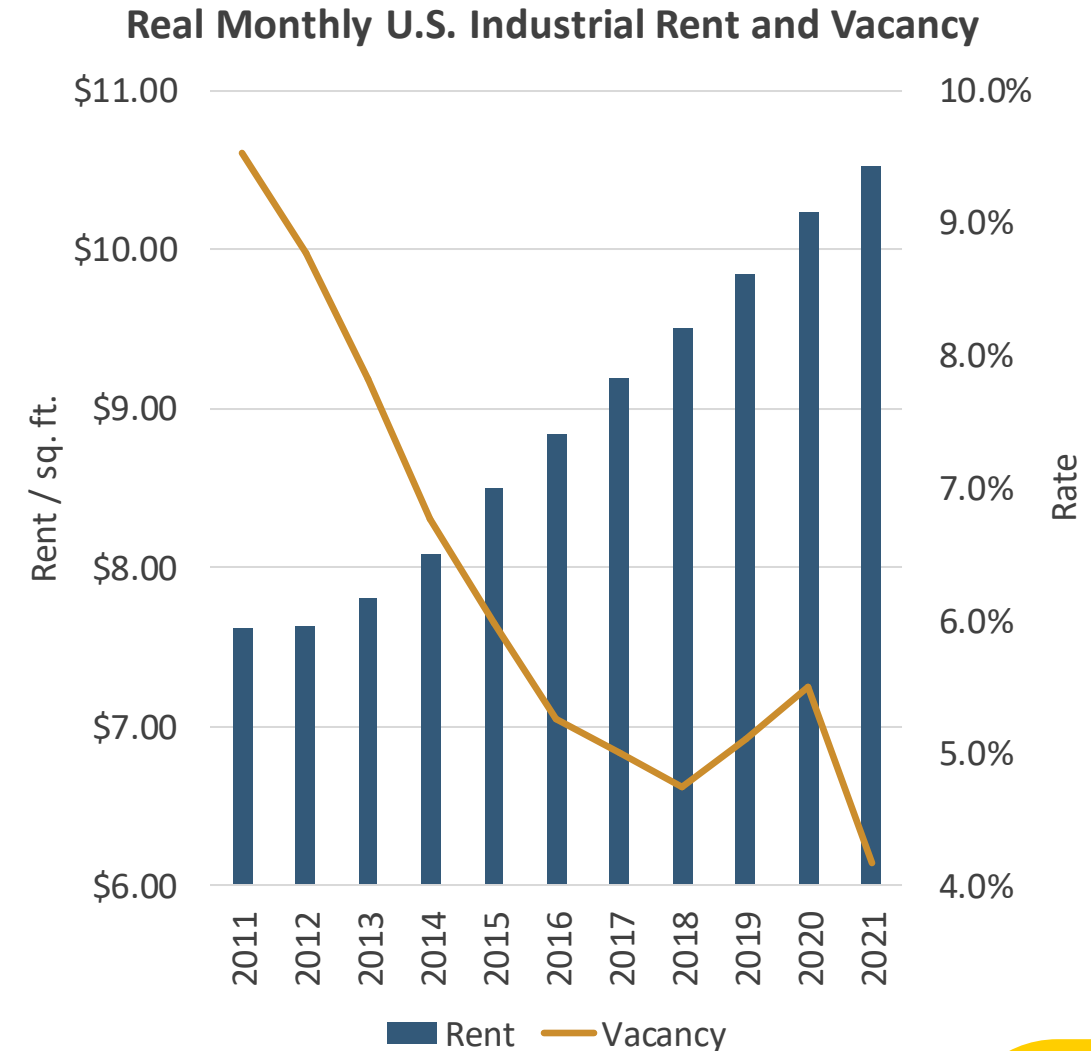
2022

- Economic Trends and Prospects Report (June 2022)
- Focus groups with Life Sciences and Commercial Developers (May 2022)

Economic Trends

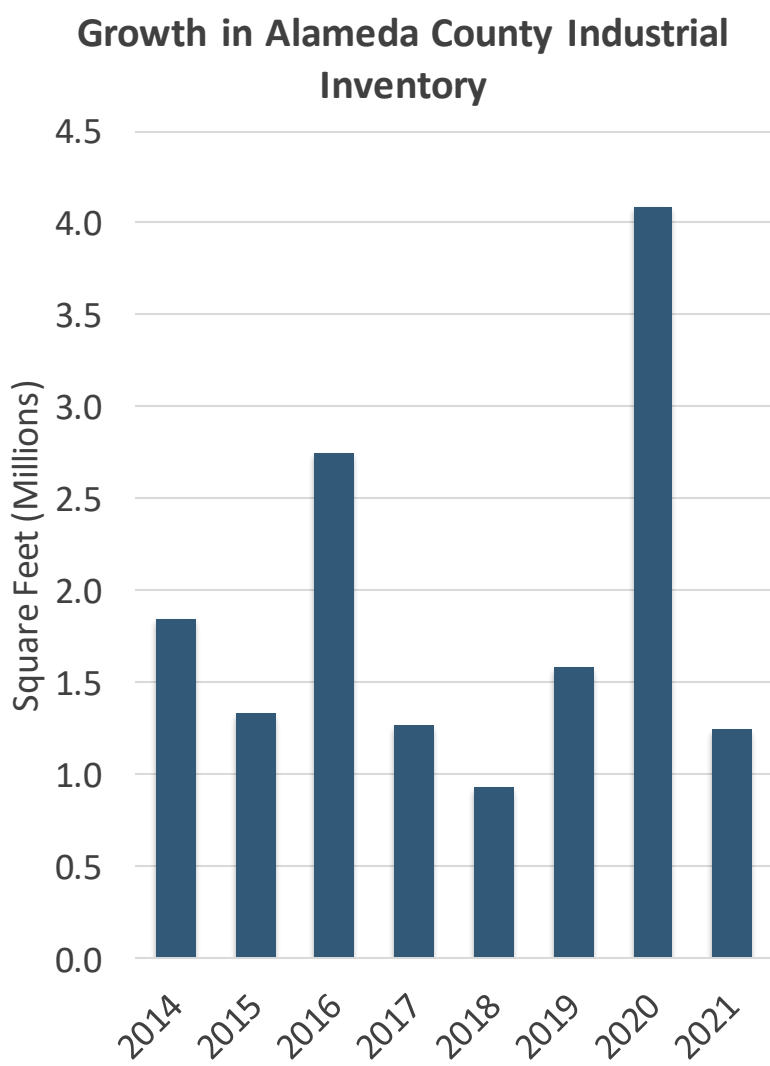
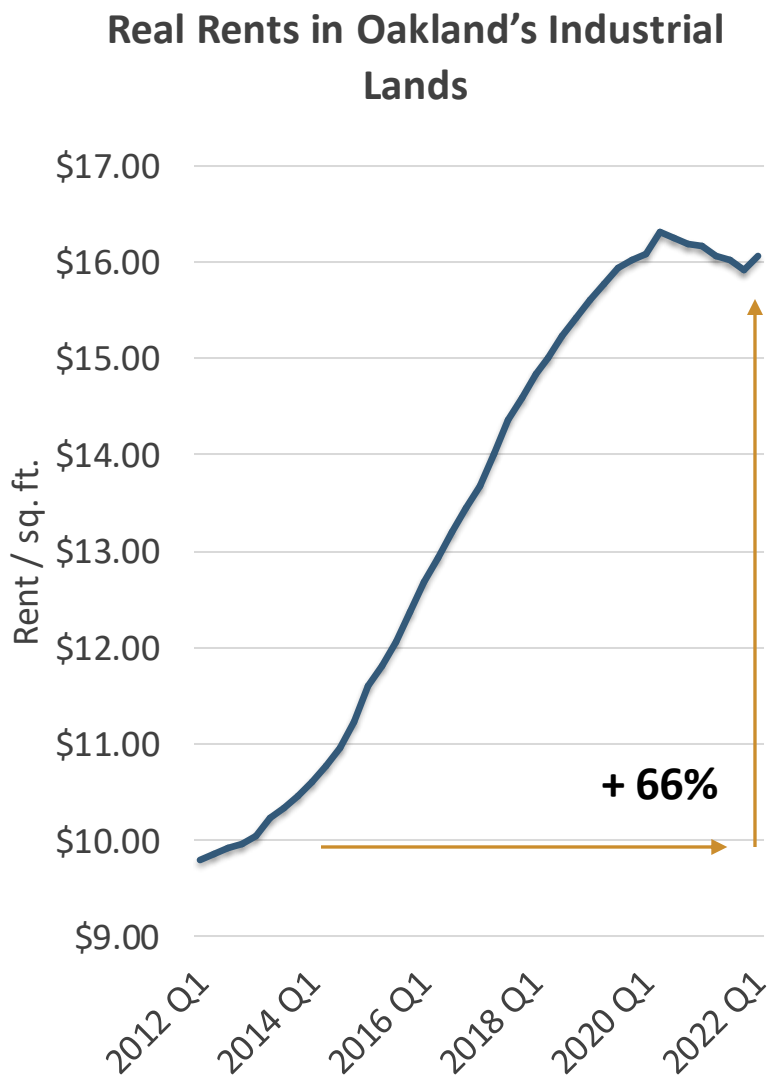
National Trends Driving industrial Market

- Myriad factors contributing to meteoric rise industrial market:
 - **The China-United States trade war**
 - **Rise of e-commerce (accelerated by pandemic)**
 - **Inventory shortages and supply-chain bottlenecks**



Source: Costar Group

As Evidenced by the East Bay



Source: Costar Group



Challenges and Opportunities for Industrial lands

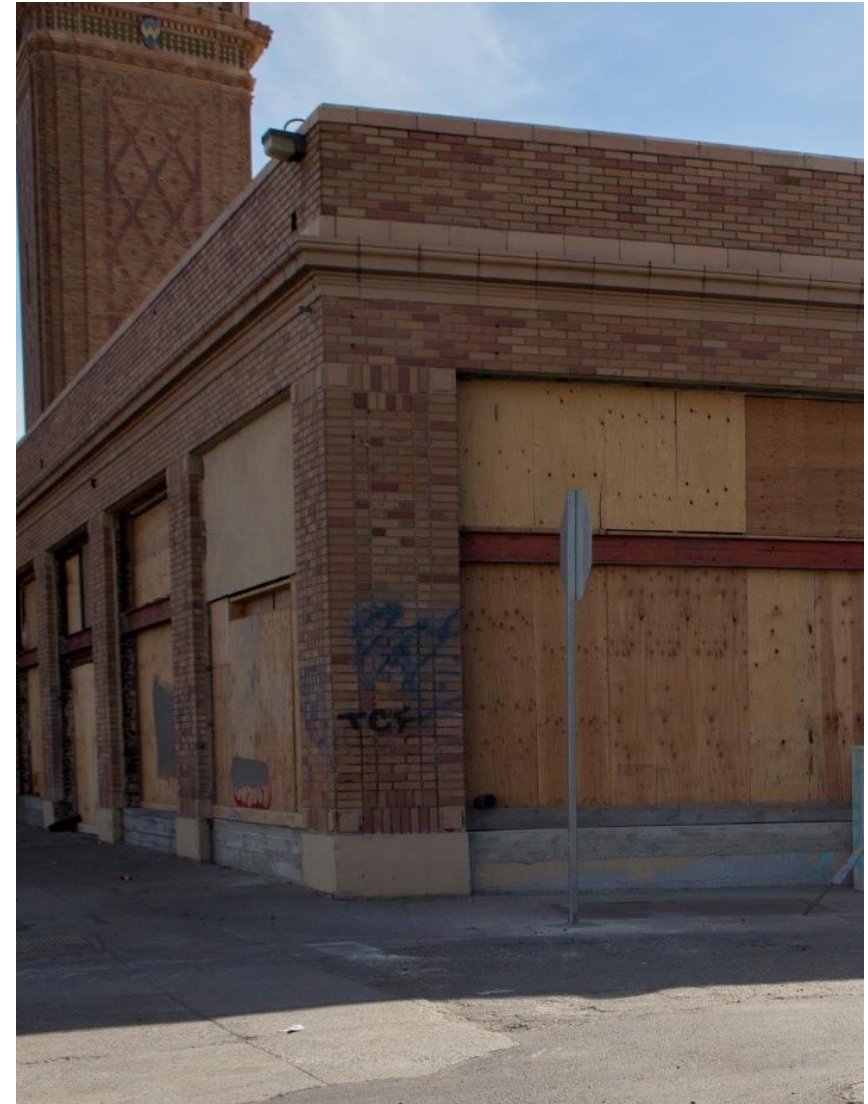
Land Use Conflicts

- 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**



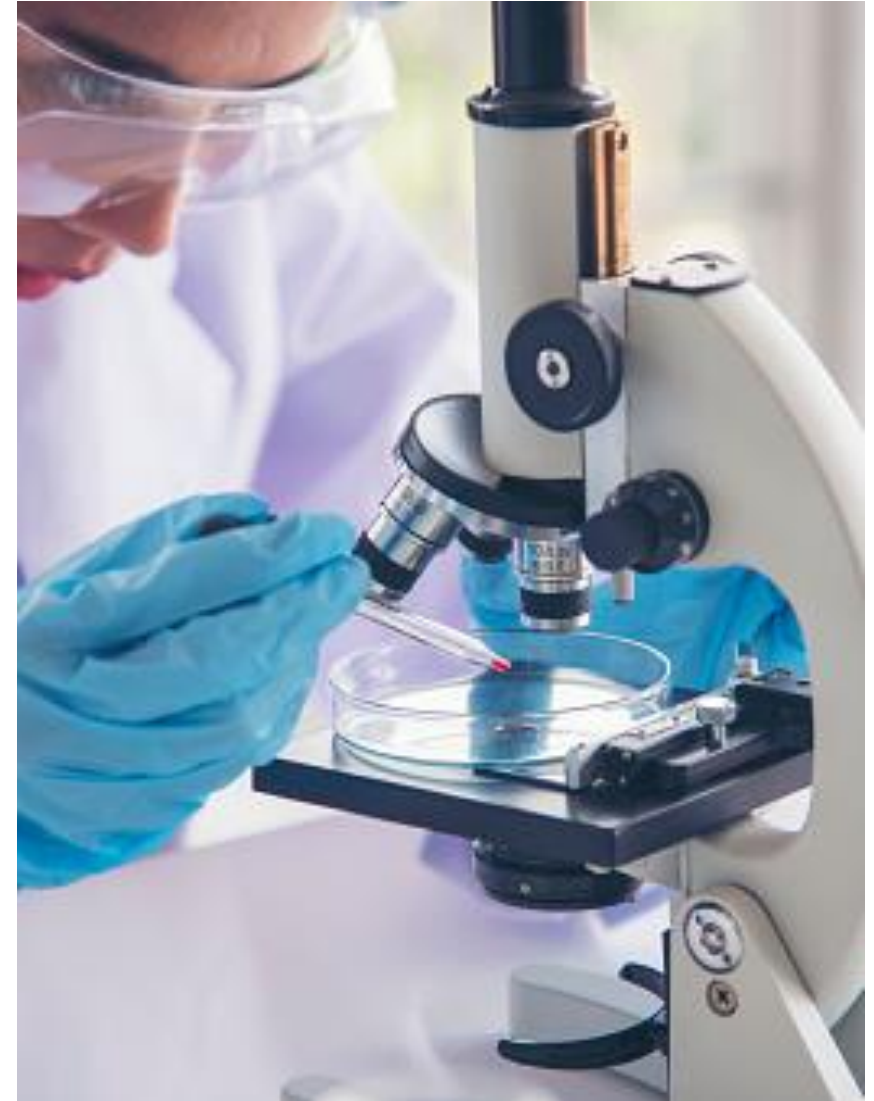
Property and Infrastructure Constraints

- 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 old and lacking investment**
 - **Properties are underutilized**



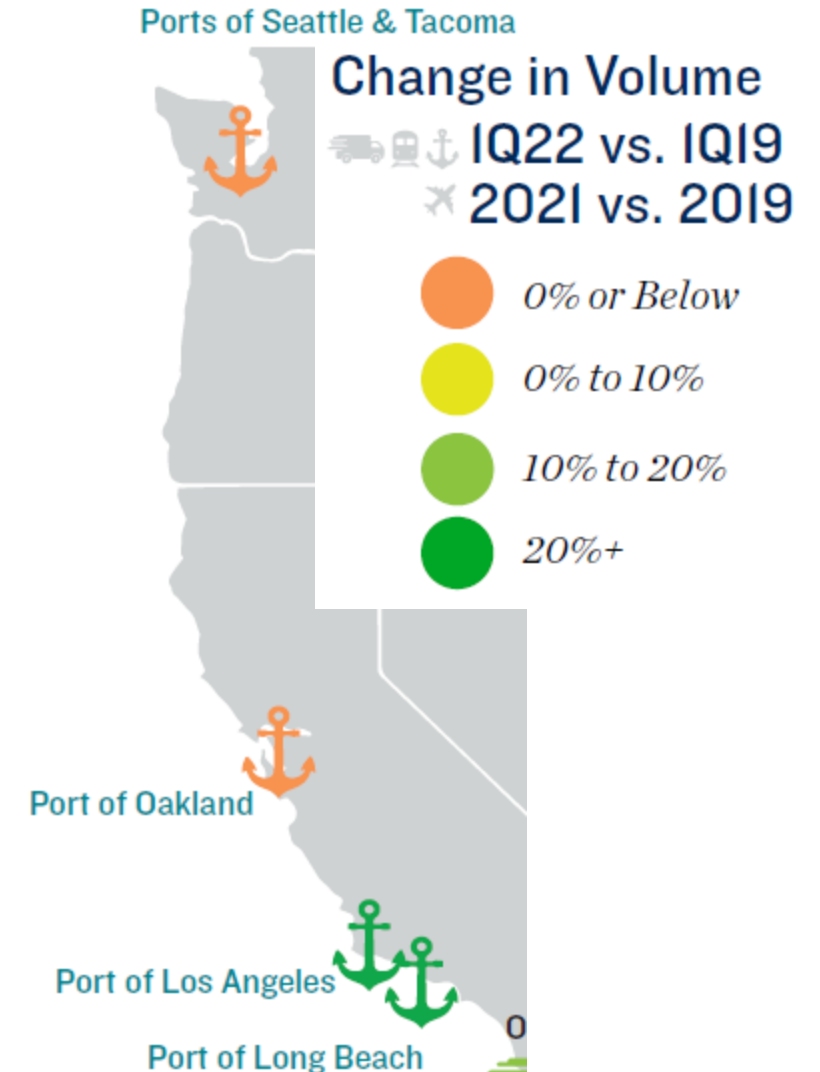
Regional Growth in Life Science Sectors

- Bay Area has world-class agglomeration of Life Science Sectors
 - Strong clusters in Berkeley, Emeryville, and Alameda
 - Supported by UC Berkeley and Chiron, Bayer, and other industry leaders
- But constraints to addressing regional demand in Oaklands' industrial lands 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 employment generating uses
 - Doubling down on niche role
 - Nation's leading exporter of high-quality agricultural commodities
 - Serving the Northern CA consumer market



Discussion

Discussion

Current Successes

- What existing policies and practices do you think are working well as they relate to industrial development and preservation?

Port of Oakland

- What is needed to ensure Port-related prosperity?

Advancing Industry

- What is needed for Oakland to attract the industrial activities of the 21st century?
- What current industries should the City seek to retain, support, or expand?
- What is the skill set needed for contemporary industrial jobs and how to ensure industrial sector jobs go to longstanding Oaklanders?

Gaps

- What are policy gaps related to industrial lands?
- What policies or strategies would you recommend the City explore to address these gaps?
- What are the barriers to new practices?

Backup

2021 Issues/Opportunities

- Port Concerns
 - 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, including
 - 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.