



THE FOLLOWING MINUTES REPRESENT MINUTES FROM THE DIRECTOR'S REPORT ON INDUSTRIAL LAND USE POLICY ONLY AND DO NOT RECORD ANY OTHER ITEM DISCUSSED AT THE PC MEETING OF NOVEMBER 16, 2005

November 16, 2005
Regular Meeting

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The following represents a transcript of the Directors Report on Industrial Land Use Policy and Recommendations for Conversions of Industrial Land.

Margot Lederer Prado (MLP) introduced the staff report, noting that the report was a follow up request by the Planning Commission from the June 1st presentation which provided general information on industrial activities in the City of Oakland. In Spring 2005 the Planning Commission had requested a presentation on the topic, in light of the increasing number of General Plan Amendment requests by developers for the conversion of industrial land to residential use. The present report contains research conducted over a four-month period (July – October 2005) and which forwards alternatives for general plan guidance as well as Criteria for General Plan Amendments.

MLP explained the three alternatives

1. Baseline reflecting Existing General Plan and Zoning
2. Alternative 1 Transition of some edge industrial areas, on edge of other districts, acknowledging changing market conditions and generally reflecting smaller parcelization.
3. Alternative 2 a more radical approach, with more intentional re-direction of some areas.

MLP explained some of the differences between Alt 1 and Alt 2, highlighting areas in West Oakland - Baseline and Alt 1 shows as continuing Industrial in Areas# 15 & 16 but Alt 2- shows as Regional Commercial, more emphasis of commercial retail over industrial.

South SL border gradual transition= edge areas in areas such as #9 and 10 and acknowledges the change already approved for 98th and San Leandro northeast corner.

Estuary area- this area mapping and recommendations need more refinement to overtly support the existing manufacturing, especially food production that is already occurring in the area.

The Commissioners noted that the Criteria for GP Amendments are a good start. MLP remarked that they would need further refinement based on comments by the Commissioners and text by planning staff. MLP addressed some of the big issues from page 8 of staff report, including the general areas of Compatibility; Economic Benefit; Environmental Quality- GPA requests provide healthy quality residential neighborhoods; Transportation Modes; pedestrian friendly transit is important, but it is also important to consider the sustaining existing truck routes and rail line spurs, which area crucial for operation of industrial and commercial business.

MLP acknowledged work of the sub-consultants, and explained that the GIS-based sub-areas can be used to implement more detailed surveys and clarification of errors or vulnerabilities in the data. MLP made a presentation of a “Fruits of our Labor” Baskets containing samples of the products of many Oakland manufacturers.

The Chair asked for questions from the Commissioners on the report.

Questions

LIGHTY- Praised the research conducted by staff. Question on West Oakland: assuming the new CIZ (Commercial & Light Industrial zone) is adopted, could it go in those directions, (eg regional commercial)?

MLP : CIX really does encourage a broad range of commercial uses. Regional Commercial is mapped now only in Airport (Hegenberger, Coliseum) as “Gateways”. The zoning (C-36) implies attributes eg landscaping, business park like atmosphere, but allows light manufacturing “in rear of parcels” for aesthetic reasons. C-36 needs updated interpretation.

Lighty- Alt 2 really changes character and nature of the industrial district, while CIX is presently proposed with tools that allow commercial development. Would (Regional Commercial designation) amend the nature of CIX?

MLP- Yes in CIX all alternatives are possible, but Regional Commercial emphasis is on commercial and could disallow general manufacturing and even may discourage any production uses. The PC can refine these alternatives. CIX is created to enable the commercial market to flourish, but can also encourage more sophisticated (less impactive) industrial to occur.

LIGHTY: Reading the Housing Element goals and regional housing needs allocation, we do not need to rezone to achieve our regional needs allocation, right?

MLP: Correct, the Housing Elements does note that we can do everything within existing residential General Plan designated areas, especially by directing more density to the urban residential corridors.

LIGHTY: Re: Sub Area 1: some is designated in General Plan as “General Industrial and Transportation”, and some “Business Mix” light industrial. It seems like the size of the parcels and greater number of existing non-conforming residences allow that area to transition but to a genuine mix of commercial industrial.

MLP: Yes this area would be most dynamic in mixed use, but because of parcel sizes could really be a light industrial and residential HBX use, given the number of small warehouses. Note the letter distributed from a 50th Ave business with 50-100 employees which has been there a number of years,. Also noted the letter from Oakland Housing Authority regarding a parcel within Sub-area 8.

LIGHTY: So Sub-area 1 continues to be mixed but commercial work live is possible, but straight up residential is not in character with what is there.

MLP: Yes there are existing functional businesses as well as the San Leandro/ High Street transportation corridor nearby, which allows truck traffic. Some small businesses (from this area) will sell and leave, some will not, and it is important that any new residents acknowledge businesses and reality of their operation and functions.

LIGHTY: I note that this CBRE (real estate brokerage) report shows an existing low vacancy rate for industrial – is that correct?

MLP: Yes properties perceived on first viewing as underutilized or vacant actually represent land for a business to expand. For instance, Alta Building Materials (50th Ave) moved from West Oakland “edge” area and constructed a new \$3million building in the past two years and are holding land for growth next stage. Our businesses need elbow room for growth, so the vacancy rate is at a minimum-3 percent.

LIGHTY: Your report mentioned “just in time production”, where businesses consider efficiency in the turn around of goods. Distribution associated with Port and Airport trade etc is an expanding industrial use. Is that what is happening?

MLP: Yes, called Logistics- just in time delivery. Warehousing in employment data is hard to read. NAIC is self-reported data. Warehouse in NAIC code includes Fed Ex UPS but in fact many other types of logistics warehouses. If the Port is to expand, the City needs facilities of various sizes, aside from big ones WalMart Target there are many growing wholesalers who rely on the Port and desire to be close to it and the freeways, and which employ more than a typical warehouse, but are located in the same type of structures. There are several large manufacturers looking for 100,000 warehouses but have businesses seeking space, ranging from 10,000 sf food producers to 100,000 bakeries that will not move out of state. At a recent EPA conference, heard a speaker (Richard Florida) speaking on the “Creative Class”, who are the innovators and creators of new edge production, and whom are attracted to Oakland, which offer talent (educated and a willing workforce) tolerance & diversity, culture and good urban housing stock. If space is eliminated, these “creative class” who are moving into urban residences in Downtown and Jack London, will have no space to create and produce, beyond their laptop. For instance, the high-end women’s clothing designer Babette, moved here from San Francisco several years ago. Babette could have moved production to China but for their own reasons, including quality control and to eliminate the gap between the design function and the customization and production, have remained in West Oakland.

MUDGE: The report provides us with Tools in ourToolbox. The Criteria for Conversion could be adopted independently and the sub-area distinctions can allow for gradation of industrial conversion policy. We could have prohibitions in policy where criteria could not be applied at all.

MLP: We (staff) did not assume we want to re-do the General Plan adopted in 1998, but could adopt protection policies, as being done in other cities such as Chicago, Vancouver, Portland. Within the Alternatives we could recommend sacrosanct areas, could remain as is with new zoning that says no conversions at all in these area- job-generating areas. In other areas, edge areas, the City could pursue General Plan Amendments, or allow conversion applications and GPA if meet Criteria, without changing the General Plan. The Alternatives can acknowledges market changes since the General Plan was written (years ‘94-97) in and adopted in 98.

MUDGE; If certain core areas are kept sacrosanct, then the conversion criteria would not come up at all.

MLP Yes, though IG, Industrial General zoning, the City could regulate “No GP Conversions will be considered in IG”. Staff still needs to confirm this with the Development Director and City Attorneys if we can do that. Other areas could be open, considering criteria

MUDGE; Alt 1 and Alt 2 would open up more areas for conversions?

MLP: Yes and variations and more alternatives could be created and presented to the Commission and Council.

BOXER: I find this fascinating. This is lifeblood of the City . I applaud staff’s work. What is your expectation of this Process?

MLP: There is a clock running because of great interest in residential development. Returning to CED could be simultaneously,. The Planning Commission needs workshop with City Council and Special Session to flush out alternatives. Meanwhile PC could ask for further staff research.

BOXER: Those are all wise steps. W need moiré clarity for developers as well as the community. Now with current General Plan and zoning process there is no certainty. This work will create more rational and sane real estate market. Now developers acquire land and push through GPA Finally, with tools of GIS can Where housing already exist in pockets **CAN WE OVERLAY THE (legal non conforming) RESIDENCES ON THESE SUB-AREA MAPS**
******TO DO LIST.**

MLP Yes because we have County Assessors we can do this. Also need more certainty for businesses to know what their future is in Oakland,

JANG: Major truck routes. **CAN WE NOTE THE TRUCK ROUTES AND GET TRAFFIC COUNTS OVERLAID ON SUB-AREA MAKES – COULD HELP GUIDE CONVERSION DISCUSSION? ***TO DO**

MLP Yes Truck Routes – The West Oakland community is working with PWA to re-designate routes there now. Now San Leandro Street, High Street, 98th Avenue all Truck Routes and San Leandro is one of the only City streets built with a heavy weight capacity. Trucks travel along 3rd Street and continue on Embarcadero because they are not supposed to take the freeway.

LIGHTY: Where are the CED comments from Nov 8

MLP: Council heard the item and was interested in the topic, acknowledging its importance. Councilmember Reid wanted to take others on a tour and mentioned the importance of revitalization in his (residential) neighborhoods. Brunner expressed interest in the transition in the Waterfront, and complimented research but no specific questions and geography was not discussed at CED. The Chair asked that the discussion be continued to hear the comments of the Planning Commission. Also they wanted to see the item in relation to all other items, Base Auto Retail, Citywide Retail Strategy. This topic does relate to what happens at Army Base (in that some industrial uses should be accommodated there, near the Port).

FRANKLIN: I am very, very concerned . I don’t want to sit back and do nothing, but there is no plan for these conversions. I compliment this work, but what are the next steps? I thought we were getting Council’s (CED Committee) comments. Now I am just confused.

LIGHTY: I won't be quiet (and do nothing) Chair Jang and I had hoped this would come to us before the CED Committee (presentation) but there was some Agenda problem. Had we had a discussion on (this item) on the 2nd (of November as planned) we could have forwarded our recommendations (to them for the November 8th CED meeting). It should be the Commission's role to provide recommendations and guidance since that is why PC exists. I think a workshop is a good idea. We (Commission) has expertise and insights, they (Council) have authority and accountability to the people who elect them. That combination is extraordinarily helpful to City..

FRANKLIN: Are council still looking to hear this item on 13th? What about at the ZUC committee first? What will be the process?

LIGHTY: Policy issues are a threshold level. How we map zoning is for the ZUC, but what must happen is that policy issues in this report need to be resolved first to a large extent to get zoning done. This is a Two-step process.

MUDGE: We direct staff on which alternative then we come back to zoning. The report policy statements are not adoptable by themselves at the present time without detail and further research.

LIGHTY: We will adopt new zones for industrial areas. This process will be informed by map and criteria, and certainly by Councils decision. We should actually get with them in discussion rather than linear forward recommendation.

BOXER- Yes we need to hear Councils concerns.

McCLURE- We need to draw lines in the sand. Zoning Update is happening but someone has got to take pencil out and draw lines.

LIGHTY- Here in Sub-areas is our chance- let's discuss these sub-areas and how to apply the Criteria to these areas. If we are removing any industrial land, those decisions need to be made, then new zoning can be applied.

JANG: We are ready to hear from the public. But first lets clarify the process.

GARY PATTON: This is Two-prong process, First, formulate recommendation on alternatives and I recommend that PC convene study groups to look at the different sub-areas as needed for clarification. There is expectation that PC will have some recommendation for Council. We (the City) are going to make decisions... folks (developers) are waiting.

McCLURE-Let's stamp (the maps) as draft (and get it out there for public comment). If it is affecting someone's pocketbook, people will come out and comment. The PC should produce something concrete.

PATTON: Do you want to go thru each sub-area and make recommendations (now).

McCLURE- The ZUC should hear and discuss the item, then comment back to full PC on December 7th, then report to CED on December 13th..

LIGHTY: We need a Workshop together with City Council. Yes this (item) needs concrete recommendations. We are in the midst of applying new zoning- it is an opportunity to apply to those areas where we reached consensus, the Criteria then gets applied for the future

MUDGE: If we made concrete decisions, then we are hedging the speculation. We do now have an existing General Plan and zoning - our decisions are supposed to reflect that.

McCLURE: There is no certainly now. We need to provide market certainty. If we just assume there will be a General Plan Amendment for residential in some area, they (developers) will continue to pursue (conversions). Until its concrete, there will be speculation.

LIGHTY: If we come to policy conclusions, then map based on new zoning, we can (hedge that speculation)

MUDGE- (We should) amend the General Plan to reflect (industrial protection) sacrosanct areas, then in other areas (applications for GPAs) could be possible, We must decide where. We always have ability to amend legislatively, but can state today, here are areas where we can discourage from the political level,. We all have been feeling we are operating in the dark with conversions... there are no boundaries. I am excited that people are excited about (living in) Oakland, but criteria is important to be applied in many situations- we need to tackle (these) sooner than later.

LIGHTY: If we adopt criteria and make recommendations: Baseline, Alt 1 or 2 , or a variation, it will inform Council, therefore we can proceed with zoning mapping coherently.

JANG: In light of that, the ZUC has not been meeting regularly, between now and 13th can we schedule meeting?

Patton: Yes **December 7th. We have a commission meeting that night, can schedule the ZUC at 4pm ***Action***** then present to Commission that night, Agenda- is the CED meeting including commissioners need to decide before 7th (for legal noticing purposes) However on 7th the recommendations can be decided and verbally presented to full PC for discussion.

WALD (City Attorney): Yes, 12-13 days agenda noticing is required for a joint meeting (end of November) so need to make that decision on joint meeting or nor. But if not a quorum of the ZUC or PC will not be present (at CED Dec 13th), then no notice needed, Would be difficult to have joint meeting, considering many items on 13th agenda, it's the last meeting before before break etc.

JANG: That is plan Dec 7th ZUC and PC then CED

LIGHTY- I prefer the full ZUC go to CED on 13th.. If Franklin cannot come then Mudge and I could go.

WALD- It's a violation of the Brown Act if properly noticed. Check either the City Clerk and the City Administrator's office and Chair of the CED.

JANG: Call for public speakers

PUBLIC SPEAKERS

Dave Johnson OCC-carries out industrial business services on contract for the City and a participant in the ZUC. 1 min 43 sec. This process is not working to have a dialogue on important subject in two min impossible. Notion of suggestion of larger dialogue is critical. Commissioner Mudge said it's exciting to have people excited about coming to Oakland. It is exciting to have business people stay here. Exciting to have business people, who do not have the time to come before you like the professional developers, to bring business projects to you like housing people come before you. I am here as one person without a lot of business people in audience. It is your responsibility to take on that (task) to listen and represent business interests. For instance (gives examples of General Grinding, a business at 45th Ave- established in 1944 (describes business)

There are folks here employing people every day. There is not enough land for everything, we are shifting from housing to business, or vice versa. Its important to respect those folks who are here and just as much need for business as people need for housing. There is not vacant land it's a tradeoff between those two.

George Burt- WOCA rep and local industrial property owner. Thanks Margot for her report and the PC for continuing to work on this topic. I love the opportunity to meet with City Council and have a real dialogue. Re Pulte Appeal- most of City Council are not connected to what you see on daily basis. Another project tonight (Olsen) encourages PC to keep doing what you are doing. Remember every time you approve a project without criteria (agrees with Dave J that there are 12-15 conversion projects waiting in the wings) you continue this situation (lack of policy planning), if zoning is not approved. The "L" (limitations) detail of the industrial zones are not fully flushed out yet, but every time you approve GPA for residential use, the next-door neighboring business would be limited in use and become non-conforming. (Many of the "L" /Limitations are based on distance of the business operation from residential uses). Look at not just subject (GPA) property), but at the next-door uses. Example: Look at Linden St- they need a CUP for doing a residential project on a "M-20"zoned property with a residential general plan- we have lost business-land in the last General Plan update. Lets not loose more. Thanks for going before City Council with this item

JEREMY HAYES, Apollo Alliance. Works for the Apollo Alliance, which promotes quality industrial jobs through sustainability. It is wonderful to preserve industrial land to benefit the emerging economy green economy for Oakland employment and residents. Explains about Green clean technology, including manufacturing, repair, assembly eg water filtration, bio fuel. Green Technology became the 6th largest Venture Capital sector, just behind telecommunications, etc, Venture Cap in clean tech startups will create up to 114,000 high quality jobs in next year in the State. Oakland has tremendous opportunity to employ in this sector with skills that Oaklanders have. Need sound policies. Industrial Retention policy can be leveraged to provide incentives, along with other green incentives, Clean tech companies are not big polluting factories. In the last months we have talked to firms manufacturing pollution emission control devices, the largest US solar manufacturer, light assembly facilities all wish to look into Oakland location. Need overall strategy to attract such companies.

LIGHTY: What kind of employee scale are we talking about?

HAYES: Light bio-industrial facilities are varied- but in realm of 12 employees; Light manufacturer of roof tops solar rooftops would be much greater, It depends on many things-

(there is a range of business types), such as a local emission control devices manufacturer, makes mufflers that do on diesel engines go on trucks. They produced 1500 units last year. Such businesses want to be located next to mechanics and near trucking service industries, eg bio fuel located where there are a lot of trucks eco industrial land use (near port) multiplier effect,

FRANKLIN: Clustering- (relates to San Francisco cluster attraction strategy, biotech etc). How can we do this (we do in SF) more concerned with type of jobs and skills of laborers. Can the average Oaklander be trained to do what these businesses do to address employment here?

HAYES: Yes the Apollo Alliance looks at high equality over sector, works with labor union, retraining opportunities (eg ex-felons) through to college level training to create that kind of future here in Oakland. It is a great idea to retain industrial land in Oakland to attract such businesses and employment.

FRANKLIN: (Asks Apollo to give information to staff to look at zoning update.)

BOB TUCK: WOCA and business owner in WO. Atlas Heating is in 17,000 sf and has 44 employees start at over minimum wage and up to \$25/ hr. Thanks Margot to have done study – why did she have to do on a shoestring budget? Why Millions of dollars should have gone to zoning update? This is the best report to have gone before the PC since the GP was adopted in 1998. That (“Fruits of our Labor”) basket is small part of cornucopia of richness that is all over Oakland. Small business represent 70 percent of all employment in the United States. (PC) Get together with the Council. Do not allow them (developers) to force residential into business land. Should have a Moratorium until those lines are drawn. Hold it.. Make sure we are getting this right. Margot’s report is conservative- actually hundreds of acres being lost (eg future uses at Army Base etc). GPAs are coming forward soon in bulk shrinkage taking place every day (of industrial land). Housing is handled, per Margots statistics and Housing Element- but no room to attract growing businesses. Lets got to the CED and get something done.

SANJEEV: Keep in mind this City Council in last 12 years had position that they do not lower themselves to be equal to commissions and board and have refused those requests. Reduced speaking time to less than 1 minute if many speakers. Also they have not done the homework so clarification takes place on the floor, and put off the decision.. Same problem on 13th- one or two min per speaker. November 13th- there are 9-17 items in a two hour span. Re studies: It is not only zoning (general plan surcharge funds that are unaccounted for), but others- no answers as to what is happening to that money. General Fund is what everything goes into,

COMMISSION DISCUSSION

LIGHTY: IS development going to be driven by projects or planning- Developers come before us and say they want to convert land for housing. The City’s. Housing Element is already done- through strong planning we could direct development to those areas that need improvement. If there is a demand for housing, then San Leandro St does NOT jump out at you. Those areas that seem blighted are no less so than those being converted to industrial land. Agree with staff criteria and favor Baseline Alternative. If we adopt strong policies, not let GPA go forward that we could redirect to areas (eg International Foothill Bancroft) does not make sense to look further. The only reason we are doing this (GPA conversions) is that developers are asking for it.

McCLURE: We need to do something bold.

FRANKLIN: You see developers buy can say zone for “cattle” – they would get it- you see a developer pay \$100,000,000 dollars for Oak Knoll and they say they want million homes to re-coop money they paid the Navy.... Message (to developers) is Don’t go buy a piece of land and assume you get a GPA. May not be comfortable for a lot of people but necessary.

MUDGE- This is first time we have seen the Housing Element integrates in any industrial land conversion application or any analysis of Housing Element. This is very education Have to applauds staff - this is the most important policy document and the first time we have attempted to shape the policy discussion. Very difficult issue no easy answers . Want to see the discussion soon. Do not know enough about subs-areas yet but this is terrific beginning but there is a lot of detail here. Criteria should be developed sooner, move in be tightened, how do you determine how something.

direction of this area off limits and we mean it. Re Criteria- Economic Benefit language needs to MLP IF residential performance standards of Code then adjoining property if new conversion is zoned R residential operationally level must be at a lower level at receiving property then does affect operation, there is more real Negative operational

MUDGE if vacant now how do you feasible

MLP look at case studies and brokerage community can provide data they have users looking and be in touch with market and understanding, yes is very hard to substantiate

MUDGE EG Polte project

MLP demolished by recent buyer and only closed about three years. Businesses have approached me to look at users on that site. Could be intentional reasons for leaving that parcel vacant by owner. If 30 acres there are logistics demands for such properties.

MUDGE need specificity and criteria for these

BOXER; View everything through political framework- to form policy we need more data –then we have better policy we can form, for instance using GIS, more business attraction and retention. To the extent that staff and public can communicate to decision makers, decisions can be better. Encourage businesses to show up at City Council. This is the Second (PC) meeting where our permitting fees are brought up, political issues. This is outside of PC responsibility, but must comment City Council and major set budget priorities unless folks make noise, those priorities get set differently. Need to increase staff services that can make Oakland a better place, in spite of hard economic times. Agree with Lighty and Mudge and Franklin all PC more clarity the better more direction the better, Urge community to have patience I hear you loud and clear.

ADJOURNMENT The item ended at approximately 7:50 pm

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Redevelopment Division