

Local, Sustainable Economic Development Meta-Analysis for Oakland, California

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Executive Summary

Over the past decade Oakland has been the focus of numerous economic development studies commissioned by local government and nonprofit organizations, though only a little more than a dozen have addressed the food system. The studies include specific retail market studies and business plans, studies related to food processing and distribution, and a citywide retail enhancement strategy.

Bay Area Economics (BAE), in collaboration with Public Health Law & Policy, developed this Local Sustainable Economic Development (LSED) Meta-Analysis to provide members of the HOPE Collaborative with a framework for understanding the results of these studies and how economic development strategies can catalyze change in the food system while contributing to Oakland's economic vitality.

Major findings from the meta-analysis of assessments include:

- **Oakland is underserved by food retailers** and retail in general. Studies found that Oakland is losing \$230 million in grocery and \$1 billion in all retail dollars to neighboring cities due to the lack of major grocery and retail stores in the city. This is an indication that the grocery store expenditure potential is significant enough to support additional grocery stores in Oakland.
- **Many of Oakland's low-income neighborhoods possess a sufficient amount of spending power to support new food retail.** Major grocery stores systematically reject the opportunity to locate in these neighborhoods due to their misperception that these neighborhoods lack spending potential.
- **Grocery stores often attract shoppers to other retail stores nearby.** Since people shop for food more frequently than they do for any other items, major grocery stores can revitalize commercial corridors and help smaller retail tenants nearby capture sales.
- **A detailed strategy for grocery store attraction is not included in a citywide retail enhancement strategy recently completed for Oakland.** This indicates an opportunity for advocacy organizations to influence an implementation strategy for retaining and sustaining quality grocery stores.
- **Locally owned businesses may prove to generate substantially more local economic activity than their chain competitors.** A recent study in San Francisco demonstrated that locally owned businesses have steeper economic impacts than national chain stores in terms of keeping local dollars in circulation within the city.
- **Food processing is perceived as an emerging industry in Oakland but faces challenges for growth.** While developing and investing in local processing and distribution could increase economic development opportunities in Oakland's food System, there are significant concerns about the cost of land and the availability of appropriate space.

For a more complete summary of the findings and recommendations explored in this meta-analysis, see Table 2 of this report, which includes guidance for further research and action targeted to increasing local sustainable economic development in the food system. We have compiled these findings to help build the HOPE Collaborative's capacity to promote lasting policy change that will expand Oakland's access to locally grown, affordable, healthy, fresh food and economic opportunity for its residents.

I. Introduction

Oakland has been the focus of dozens of economic development studies commissioned by local government and nonprofit organizations. Most address a wide range of types of economic development, including broadly focused economic development studies, cluster or sector studies, redevelopment plans, land use evaluations, individual project feasibility, and workforce assessments.

Over the past decade a number of these studies have included the “food system,” a system that encompasses all of the steps involved in producing and consuming food.¹ These economic development studies generally do not target sectors of the food system (i.e., production, processing, distribution, consumption, and waste recovery); they fold their analysis of food systems sectors into a general analysis of economic activities, so for example, grocery stores are considered along with all other retail activities. As a result, the data and recommendations generated from economic development studies are not usually organized to provide a straightforward analysis of the relationship between Oakland’s economic vitality and the dynamics of its food system.

Bay Area Economics (BAE), in collaboration with Public Health Law & Policy (PHLP), has developed this Local Sustainable Economic Development (LSED) Meta-Analysis to provide members of the HOPE Collaborative with a framework for understanding the results of these economic development studies as they relate to each sector of the food system, and how economic development strategies can catalyze change in the food system while contributing to Oakland’s economic vitality. The meta-analysis framework is designed to:

- Provide meaningful information about what we already know about food systems and food security in Oakland (an “evidence base”)
- Identify where studies provide common recommendations for further action
- Make clear what issues or areas we know little about that may require additional study or analysis

In sum, this meta-analysis provides an informal literature review with the goal of promoting sound action—either policy and systems change or, if necessary, additional study.

Note that the Local Sustainable Economic Development Meta-Analysis is one of a series of three papers applying the meta-analysis methodology to topics of interest to the HOPE Collaborative. The other two—a Food System Meta-Analysis and a Built Environment Meta-Analysis—complement and reference this paper.

¹ For a detailed definition of the food system and its sectors, see the accompanying *Food System Meta-Analysis*.

How to read the Local Sustainable Economic Development Meta-Analysis

The HOPE Collaborative has asked for a report that summarizes key information types across food system-relevant assessments. These information types include:

- **Indicators, variables or factors** addressed by the assessment;
- **Methodology** used to measure those indicators, variables or factors;
- **Geographic areas** within Oakland covered by the assessment;
- **Findings** of the assessment; and
- **Conclusions and recommendations** resulting from the assessment.

This report is organized to provide a clear, cross-cutting analysis of each of these issues:

Section I. Introduction provides background on the HOPE Collaborative and the goals of this meta-analysis.

Section II. Methodology describes how the meta-analysis was conducted and the unique analysis process that was developed to guide it.

Section III. Findings: Themes, Recommendations and Information Gaps provides an overview of the studies that were analyzed, followed by specific findings from each. The studies are grouped into three categories: **citywide retail strategy, market studies and business plans, and food processing and distribution assessments.**

Section IV: Conclusion and Recommendations summarizes major findings from across the meta-analysis and provides recommendations for next steps.

It is worth noting that the **Appendices** of this report contain a great deal of rich information for further reading. Each assessment, in its analyzed form, is available for review in *Appendix A: Assessment Summaries*. Indicators, summarized across assessments, are presented in *Appendix B: Indicators and Themes*. A full bibliography (*Appendix C*) and list of interviewees and the interview protocol (*Appendix D*) are also included.

Relevance to HOPE Collaborative Goals, Planning, and Implementation

The HOPE Collaborative is a major collaborative project with the goal of improving equitable access to local food; improving the safety and attractiveness of the built environment; promoting local, sustainable economic development; and supporting families and youth. The vision of the HOPE Collaborative is to “create fundamental and sustainable environmental changes that will significantly improve the health and wellness of Oakland residents.” During the current work phase, the HOPE Collaborative is charged with creating a Community Action Plan to guide its efforts, pending further funding from the W.K. Kellogg Foundation for implementation.

To engage its members in creating the Community Action Plan, the HOPE Collaborative has organized action teams focused on four key areas: Food Systems, Local Sustainable Economic Development, Built Environment, and Families & Youth. While the results of this LSED meta-analysis will provide information relevant to all four action teams, it should serve primarily to advance the goal of the Local Sustainable Economic Development Action Team:

Identify opportunities that create environmentally friendly alternatives for the production, manufacturing, distribution, retail and recycling of foods in an urban community through direct investment in the development and sustainability of local enterprises and neighborhood-based business.

The Action Team has set out the following tasks to accomplish these goals:

- Assess current initiatives and programs that support local sustainable economic development and entrepreneurship and also threats to local sustainable economic development.
- Develop action plans that include indicators of increased local sustainable economic development and identify methods to track progress toward change.
- Develop action plans that include strategies for policy and systems change that improve local sustainable economic development.

This meta-analysis will help the Local Sustainable Economic Development Action Team understand existing conditions of Oakland’s economic development as it relates to the local food system, identify potential indicators to measure change, and recommend potential policy and systems change strategies to attract direct investment in food-related local enterprises. Its findings—along with other surveys, studies, and assessments that the HOPE Collaborative has commissioned—are designed to be included in the HOPE Collaborative’s Community Action Plan.

Definition of Local Sustainable Economic Development

The Local Sustainable Economic Development Action team defines *local sustainable economic development (LSED)* according to the following terms:

Through a sound *local sustainable economic strategy*, all stakeholders are seeking the equitable long-term economic wealth and assets for local residents, locally owned businesses and the neighborhoods, particularly focused in low-income or underserved communities, where they live and work. LSED also supports and nourishes the long-term growth of small businesses that leads to the creation and retention of quality jobs, increased incomes and the promotion of health benefits for employees. By encouraging and developing policies and an infrastructure that supports business growth and individual wealth creation, LSED will lead to the creation of vibrant and healthy communities and an improved quality of life for local residents.

This definition differs from conventional economic development in its emphasis on local ownership and low-income communities. While only a few of the studies evaluated in the LSED meta-analysis have an explicit focus on local ownership, several studies focused on equitable development in Oakland's underserved communities.

Meta-Analysis Study Area

The HOPE Collaborative focuses on areas in the City of Oakland suffering the greatest impacts of health disparities. These neighborhoods, often described as “the flatlands,” are located west of Interstate 580 along the entire north-south length of Oakland, from Berkeley to San Leandro. They are home to about 266,000 multi-racial and multi-ethnic people, mostly low-income, who suffer disproportionate health impacts stemming from a variety of built environment, social, economic, and institutional factors.² Assessments and reports that were conducted at the neighborhood and city scale and that address individual or multiple sectors of the food system and economic development have been considered.

The LSED meta-analysis recognizes the importance of understanding how families and youth living in the most underserved neighborhoods are affected by economic development initiatives and local food system realities. However, no studies were identified that *explicitly* address the relationship between families/youth and economic development as it relates to the local food system. A few main issues addressed by these studies are highlighted here because of their impact on families and youth: **public safety and crime**, and **workforce development** (strategies that connect residents with education and jobs that provide career ladders, opportunities for development, and living wages).

² HOPE Collaborative. *HOPE Meta-Analysis Request for Proposals*. February 14, 2008. (Summary)

II. Methodology

Economic development encompasses a broad scope of activities, ranging from the development of a particular site or project to neighborhood-scale revitalization to larger, more comprehensive citywide economic development strategies.

To capture the extent to which food systems intersect with Oakland's economic development initiatives, the LSED meta-analysis includes a wide range of studies that have been grouped into the following three categories:

1. Citywide retail strategy
2. Retail market studies/business plans
3. Studies related to food processing and distribution

Each study uses its own methodology and seeks to achieve a distinct set of goals, so in order to identify patterns and draw conclusions across studies, the meta-analysis identifies indicators, variables, factors, findings, and recommendations of each study and when relevant draws on common and distinct themes across categories. Studies have been compared within the three categories above.

Appendix A contains a unique analysis of each study. *Appendix B* includes a matrix showcasing an inventory of indicators, with each corresponding the study or studies from which they were identified. *Appendix C* contains a complete bibliography of studies.

In addition to analyzing economic development studies, BAE staff conducted interviews with a variety of people from Oakland's economic development community, representing public, private, and nonprofit sectors. Each interviewee has a different perspective not only in terms of their involvement in economic development in Oakland, but also from their involvement in shaping the City's food system. Interviewees represent the following issues in Oakland's food system:

- Retail
- Workforce
- Wholesale/Distribution
- Small Business Development

Relevant findings from the interviews are reflected throughout the meta-analysis. *Appendix D* contains a complete list of interviewees and the interview protocol.

III. Findings:

Themes, Recommendations, and Information Gaps

The studies listed in Table 1 are those reviewed for this meta-analysis. All addressed one or more areas of economic development, were geographically relevant to Oakland, and were the most recent or up-to-date examples of studies of their kind. Detailed analysis of each study (highlighting key findings, methodologies, and conclusions or recommendations) may be found in *Appendix A*. A complete bibliography of all studies and assessments identified, including those not analyzed here, can be found in *Appendix D*.

Table 1. Assessment/Study Inventory	
Citywide Retail Strategy	
<i>Existing Retail Sector Performance, A Component of the Oakland Retail Enhancement Strategy</i> (2008)	Conley Consulting Group; JRDV Architects; Strategic Economics; Colliers International
<i>Implementation Plan, Oakland Retail Enhancement Strategy</i> (2008)	Conley Consulting Group; JRDV Architects; Strategic Economics; Colliers International
Market Studies and Business Plans	
<i>People's Grocery Business Plan</i> (2007)	People's Grocery
<i>Mandela Market Place Market Study</i> (2006)	Northern Real Estate Development and Consulting
<i>Mandela Food Cooperative Business Plan</i> (2007)	City of Oakland Community Economic Development Agency
<i>Neighborhood Market DrillDown for West Oakland</i> (2005)	Social Compact Inc.
Food Processing and Distribution Assessments	
<i>Alameda County's Jobs & Economic Development Project, Food Processing Study</i> (1998)	Alameda County Economic Development Alliance for Business and the Community Bank of the Bay
<i>Putting Oakland to Work</i> (2007)	East Bay Alliance for a Sustainable Economy; Workforce Development Collaborative; Urban Habitat; Urban Habitat; UC Berkeley Labor Center; Urban Strategies Council
<i>Taking Stock of Oakland's Economy</i> (2007)	Oakland Metro Chamber of Commerce; McKensey & Company
<i>Pre-Development Planning for the Oakland Army Base Gateway Development Area</i> (2007)	Community, Design & Environment (DC&E); Bay Area Economics (BAE)
<i>Forwarding Recommendation on Industrial Land Use Policy and Proposed Criteria for the Conversion of Industrial Land to Non-Industrial Land Uses</i> (City of Oakland Staff Report) (2005)	City of Oakland Community Economic Development Agency (CEDA)

One interesting finding was that while each study has its own message to deliver, none of the information contained within them is in explicit disagreement with each other. In other words, **there is a general consensus as to the current economic development terrain in Oakland** and what can be done to improve it.

One goal of the meta-analysis is to identify information gaps with respect to food security (access to safe, nutritious, affordable food) and opportunities for quality jobs and local ownership of food retail, production, and distribution in Oakland's low-income communities. These gaps are discussed following the comparison of studies under each category.

While effort was made to identify and analyze studies that address all of the sectors of the food system as they relate to economic development, no studies were identified that deal with the issue of waste recovery in the context of economic development.

Citywide Retail Strategy

The City of Oakland's *Retail Enhancement Strategy* was developed in 2008 in response to a City Council directive to address its loss of potential retail sales (also known as "leakage"), lack of large sites for retail opportunities, and vast number of underutilized shopping nodes. The Community and Economic Development Agency (CEDA) hired independent consultants to analyze Oakland's spending habits, existing retail activity, and potential for growth.

The LSED meta-analysis used the following two studies from the *Retail Enhancement Strategy* as the basis for analysis in the citywide retail strategy category:

- *Existing Retail Sector Performance, A Component of the Oakland Retail Enhancement Strategy* (2008)
- *Implementation Plan, Oakland Retail Enhancement Strategy* (2008)

These studies are important to the LSED meta-analysis because 1) they include an evaluation of a large amount of information used to formulate explicit recommendations with concrete tactics for implementation; 2) they recognize that among the retail mix, a distinct strategy for developing locally-owned retail must be pursued; 3) they consider grocery stores a major retail category in need of support and development; and 4) they draw attention to the public health consequences of inadequate access to affordable and healthy foods due to an insufficient number of grocery stores. Their aim, then, reflects the goals of the HOPE Collaborative.

Themes and Findings

The background research for the *Retail Enhancement Strategy* produced several findings relevant to the HOPE Collaborative's areas of concern:

- **Grocery store leakage—dollars that are now leaving the community—could support five new full-size supermarkets** or more specialty food stores (which offer a more specialized range of food, like a meat market or bakery). Residents in West and East Oakland are the most severely underserved by grocery stores.
- Consequences of the lack of grocery stores in Oakland's neighborhoods include:
 - > **Residents lack high-quality, affordable food in their neighborhoods**, and either travel to supermarkets in other neighborhoods or outside of the city or buy higher priced food from gas station mini-marts, corner liquor stores, or drug stores.
 - > The lack of access to high-quality, affordable food has environmental and health consequences that particularly affect the poor. **Access to convenient, healthy food is an indicator that people will have better health** and lower rates of obesity.
 - > Since people shop for food more frequently than they do for any other items, **grocery stores often serve as the shopper-attracting anchor tenants** from which other nearby stores can also capture sales. Because East and West Oakland neighborhoods lack these anchors, it is doubly challenging to revitalize retail districts in these neighborhoods.
- If successful, the Enhancement Strategy will add the equivalent of **five new supermarkets** and reinforce existing neighborhood retail districts.

- Eating and drinking establishments will continue to thrive in Oakland if **public safety concerns can be effectively managed**. If the rest of the Strategy is accomplished, this component of the retail sector is likely to expand without specific City efforts.

The following indicators appeared at least twice among studies in both the Citywide Retail Strategy category and the Market Studies and Business Plans category (*Appendix B* shows the commonalities across all studies):

- Retail leakage/capture
- Household expenditures on food
- Number of grocery stores
- New housing units
- Home sales value
- Crime

The use of the indicators listed above suggests studies that evaluate grocery store and retail development tend to place strong emphasis on evidence of demand and purchasing power. One of the most common methods of highlighting unmet demand for retail is through the use of a “**leakage analysis**.” Leakage studies establish how much residents are spending on key goods and services and the retail availability of those goods and services within a given area (for example, a neighborhood, trade area, or city). In other words, they show whether retail dollars are entering or leaving a community. Policy makers are particularly concerned with leakage since it is a measurement of lost economic activity, jobs, and sales tax.

The *Existing Retail Sector Performance* study found a citywide leakage of \$1 billion retail dollars and **\$230 million of grocery store dollars**. Compare this citywide leakage with figures from individual neighborhoods:

- Almost \$60 million in *all retail dollars* in West Oakland (excluding downtown) (*West Oakland Neighborhood Market DrillDown*)
- \$5 million in *grocery leakage* within a ½-mile of the West Oakland BART station (*Mandela Marketplace Study*)

All neighborhood and citywide studies concur— Oakland residents are severely underserved by retail, and especially food retail in West Oakland.

While leakage analyses and other demand-oriented data can be very useful in understanding baseline information about a community’s needs, they do not point to larger factors that may inhibit grocery store development. For example, the *Implementation Plan* for the *Retail Enhancement Strategy* is careful to point out that **no single action will reverse the City’s long-term retail performance trend**. The Strategy recommends taking a holistic approach to reinvigorating the City’s retail by improving the strength of retail in every part of the City. The Implementation Plan suggests that retail stores do not thrive in isolation, and stresses the importance of creating synergistic opportunities in neighborhood business districts. Retailers succeed best when they are able to take advantage of being amidst a diverse and successful set of other retailers. The *Implementation Plan* also suggests that the City’s retail strength is dependent upon **investment in a wide variety of community-serving infrastructure** ranging from parks and sidewalks to façade improvement programs and technical assistance for small businesses.

Though the *Implementation Plan* does not evaluate indicators pertaining to local ownership of retail, it provides a comprehensive set of factors contributing to the success of local ownership as

well as recommendations to encourage locally owned businesses in Oakland. One of the key factors regarding small businesses development is the well-known reality that nationally, approximately 50 percent of small businesses fail in the first five years of operation. **Small independent retailers are known to succeed best in situations where neighboring retailers are well-known and have a track record of success.** This often means using a national retailer as an “anchor” in a retail corridor. The *Implementation Plan* also points out that retail cores combined with other social and cultural institutions are less vulnerable to having lower-income residents displaced by the process of gentrification. Further, it suggests that activity on streets can deter crime and thus stabilize retail activity. This again points to the need for investment in a wide variety of community serving infrastructure that allows for a variety street activity.

Recommendations and Conclusions

The *Retail Enhancement Strategy* studies have a copious set of recommendations for general retail and locally owned retail development. (See *Appendix A* for a list of all relevant recommendations.) Surprisingly, **very few recommendations focus on grocery store development, and no implementation tactics were suggested for this topic.** However, many of the tactics that recommend supporting and sustaining locally owned businesses apply to grocery store development.

The following are the only recommendations specific to food retail development:

- Recruit supermarkets to underserved neighborhoods in West and East Oakland. (Allocating resources to add new supermarkets in areas already well served by food stores is not recommended).
- Although strong restaurants and entertainment venues are an important part of a healthy retail sector, this is not a recommended focus of the strategy, since these businesses are likely to continue to thrive without special assistance.

The following are recommendations to support the development and retention of locally owned businesses:

- Enhance the performance of locally owned, small businesses.
- Create strong neighborhood districts where retail can thrive.
- Provide technical assistance for local retail businesses.
- Provide market data to prospective retail tenants.

For each recommendation, the authors of the *Implementation Plan* provide a thorough set of tactics to support each strategy (see *Appendix A* for the complete list). The *Implementation Plan* also provides an assessment of additional City staff time and City budget requirement that will be needed to carry out each implementation program.

Information Gaps

What follows are recommendations for the HOPE Collaborative reflecting gaps in current research:

1. Understand economic and public benefits of investing in food retail development.

The *Existing Retail Sector Performance* study identified that overall, sales leakage in 2006 created a \$1 billion loss to the Oakland economy. This translates into \$10 million in lost sales tax and 10,400 jobs that could have been created if Oakland were to meet the retail needs of its residents. This information, while it has great impact, is just a starting point to understanding the public and economic returns of grocery stores.

To “sell” policies and programs to the City Council members, taxpayers, and voters, a comprehensive, well-organized “cost-benefit analysis” needs to show the absolute return on investment to the City. However, because food is not taxable and does not contribute to cities’ retail sales tax base, most cities do not typically seek out food retailers in the same way they oftentimes aggressively attract other retailers that sell taxable goods. In order to demonstrate that food retail provides a public good and economic benefit above and beyond its ability to generate tax revenue, the HOPE Collaborative should encourage investigation of other economic and public benefits that might occur as a result from increased food retail. Examples might include the ability of food retail to act as drawing power for other taxable retail, increased public health, enhanced neighborhood quality, increased neighborhood property values, and reductions in crime as a result of increased neighborhood activity. The HOPE Collaborative could also illustrate how food retailers that sell locally and sustainably produced goods can contribute to the region’s social, economic, and environmental health.

2. Build the nexus between community development, food security, and health.

As discussed earlier, the retail health of the City is dependent on a variety of factors, such as investment in community-serving infrastructure (like parks, schools, and libraries), commercial façade improvements, and walkable neighborhoods. City Council members and community residents are more likely to approve spending City resources on implementing strategies that leverage the synergies among these factors – in other words, **strategies that can achieve multiple community goals** and provide a “bigger bang for the buck.” The Retail Enhancement Strategy does fairly well in pointing to a variety of these synergies.

However, the *Retail Enhancement Strategy* has not yet fully developed a set of implementation tactics for grocery store attraction in general or specifically how to improve and sustain access to quality foods in Oakland’s underserved neighborhoods. There is a significant opportunity to more fully develop a strategy for attracting retailers that provide healthy, fresh, local and affordable foods which should be integrated into the *Retail Enhancement Strategy*. In fact, Oakland’s Community and Economic Development Agency’s (CEDA) retail specialist, Kiera Williams, pointed out in an interview that the topic of “food security” is gaining traction among City staff and City Council members. Williams suggested that from her perspective “food security” is the nexus between business and government – connecting the talented entrepreneurs and experienced business owners with CEDA staff who can link them to underserved communities.³

Williams also stated that one of Oakland Mayor Ron Dellums’ major goals is to improve residents’ health, especially by increasing the number of health clinics and reducing child obesity. However, while Williams and other CEDA staff have a basic grasp of the nexus between food security, retail development, and the Mayor’s public health goal, she stated that the Mayor and Council members have not yet made food security a major priority. Enhancing this nexus would require resources outside of the City, she said, but recognizes that internally, various department staff within the City could be working together on the issue of food security. Staff from CEDA and the Human Services Department who manage hunger-related programs have barely broken ground on this discussion.

The HOPE Collaborative could pursue a “nexus strategy,” along with a better articulation of the economic and public benefits of investing in food retail development, which should provide timely information linking food security, retail development, and the Mayor’s public health goal.

³ Kiera Williams, CEDA Retail Specialist. Personal interview.

As the City of Oakland and CEDA staff work out their strategy and next steps for grocery store recruitment, this nexus strategy should include three main objectives:

- Highlight factors that influence residents' food choices, including current grocery store locations, health statistics, consumer behavior, opportunities for health education, and a "goods inventory" in various neighborhoods, as well as residents' values around food retail (such as investment in local jobs and community wealth, environmental sustainability, and equitable access).
- Provide an assessment of opportunities and challenges for food retailers to source fresh, healthy, and sustainably produced goods.
- Host roundtables to initiate a structured dialogue between the Mayor's staff, CEDA, the Department of Human Services, and other agencies about strategies that achieve multiple community goals and link community development, food security, and health.

3. Quantify the economic impact of locally owned businesses.

Quantifying the enhanced economic impacts of locally owned businesses relative to their national and chain competitors could **build a case to direct resources to the development of independent businesses**. The San Francisco chapter of Business Alliance for Local Living Economies (BALLE) recently commissioned such a study that showed that locally owned firms generate substantially greater local economic activity than do their chain competitors due to the increase in local recirculation of dollars spent in local businesses. It found that while San Francisco independent retailers are currently doing well, modest increases in their market share could generate tremendous economic impacts. Conversely, it demonstrated that continued expansion of chain store market shares could withdraw from the community those same economic benefits.⁴

Based on information provided by Oakland's Community and Economic Development Agency's retail specialist, the City Council will consider funding to support/recruit up to 70 locally owned businesses.⁵ A retail diversity study like the one BALLE commissioned for San Francisco, as well as HOPE's efforts to build conversations with policymakers, could ensure that resources remain dedicated (or even expanded) to supporting independent business development.

4. Pinpoint assets and gaps affecting job and small business development.

By identifying key networks and resources that have the potential to shape the City's retail sector, an *asset map* could make the City a more competitive target for incoming retail. This effort would require research to assess the capacity of the City's human capital, financial, and institutional assets:

- **Human capital** includes skills that are currently emphasized in workforce training programs and maps those skills to those needed for small business development around food
- **Institutional capital** includes existing community colleges, "One Stop" job placement centers, and other workforce development institutions
- **Financial capital** includes available small business grants and loans, as well as other "financial literacy" programs

⁴ San Francisco Retail Diversity Study. *Civic Economics*, 2007. Available at: www.sfloma.org

⁵ Kiera Williams, CEDA Retail Specialist. Personal interview.

The map would indicate “gaps” that require further investment, and provide a baseline by which to decide how to dedicate future resources.

A significant information gap is the lack of detail on the type and quality of jobs that an improved food retail sector would create. According to the leakage analysis for the *Existing Retail Sector Performance*, 10,400 jobs would be created if Oakland were to develop enough new retail to meet residents’ current needs. However, it is unclear how many of these jobs would be generated in the food retail sector (the study does not even address the issue of job generation for its recommended addition of five new grocery stores to Oakland’s underserved neighborhoods). Perhaps most importantly, the City needs to start planning for those jobs with the appropriate agencies and organizations in order to ensure that Oakland’s workforce can benefit from new employment opportunities. Developing scenarios that illustrate possible mixes of retail together with the types of jobs that would be created would help to **better tailor workforce training programs and technical assistance programs for small businesses**. Conducting an asset mapping and gap analysis will help the City understand its existing resources and strategically plan for the workforce needs of this emerging sector.

Retail trade is an industry with a variety of career ladders, a wide range of employee benefits, and on-the-job training increasingly driven by the adoption of high-end technology requiring advanced skills. Employers often recruit job candidates from community colleges and universities and train incumbent workers to upgrade their skills for career advancement. While retail jobs are often misperceived as being low-wage and lacking growth potential, today’s retail trade careers can encompass information technology, marketing, communications, loss prevention, finance, and merchandise sourcing.⁶ Additionally, as Oakland pursues a retail strategy that intends to support locally owned businesses, new entrepreneurs may benefit from gaining some of these skills to enhance their business operations.

With regard to food retail, a variety of new technical and business skills may be in demand. According to many stakeholders interviewed for this meta-analysis, Oakland is seeing a growing popularity in companies that engage in both food processing *and* retail, such as Voila Juice (which sells fresh juice products to food retailers and has a retail store at its processing facility) and Blue Bottle Coffee (which not only roasts and distributes coffee beans but also serves coffee). Hybrid retail and processing companies might require or develop skills that are highly transferable from the technical aspects of processing to the retail sales side of operations.

One local example where workforce development and business development could come together is the soon-to-open Jack London Market, which will feature 30 to 50 small, locally-owned food businesses (either retail or a combination of processing/retailing) in a year-round market setting, similar to the Pike Place in Seattle. The manager of the market has placed an emphasis on serving the neighborhood and providing affordable food options, as well as structuring leases to provide real market entry for small business owners. Understanding the workforce skill needs and availability of small business loans and other forms of capital for retail/processing hybrid companies is critical for ensuring equity in employment and ownership opportunity for existing neighborhood residents.

⁶ U.S. Department of Labor, Employment and Training Administration. *High Growth Industry Profile: Retail*, 2005. Available at: www.careervoyages.gov.

Market Studies and Business Plans

Typically, grocery store market studies and business plans analyze a number of indicators that reflect the characteristics of cities and neighborhoods, including population demographics, existing supply and demand for goods, and other qualities such as shopper purchasing tendencies and neighborhood purchasing power. The following studies serve as a basis for comparison in this category:

- *People's Grocery Business Plan* (2007)
- *Mandela Market Place Market Study* (2006)
- *Mandela Food Cooperative Business Plan* (2007)
- *Neighborhood Market DrillDown for West Oakland* (2005)

The studies listed above are an important component of the LSED meta-analysis because they reveal the types of information that are central to those who seek to invest in independent, locally owned grocery stores in Oakland's undeserved neighborhoods.

The *People's Grocery Business Plan* was developed in 2007 by the executive director of People's Grocery, a nonprofit organization seeking to expand its mobile organic food service cooperative to a worker-owned cooperative grocery store in West Oakland.

The *Mandela Food Cooperative Business Plan* was developed in 2007 and the *Mandela Market Place Market Study* in 2006 by independent consultants for a team of community members seeking to open a cooperatively owned full-service grocery store and nutrition education center in West Oakland.

Social Compact, a national nonprofit, was commissioned in 2005 by CEDA to conduct the *Neighborhood Market DrillDown for West Oakland* using a standard template for researching the retail market potential in underserved neighborhoods. The Social Compact market study template is designed around the premise that inner-city disinvestment is the result of the lack of good market information. It thus tries to reveal market information about underserved neighborhoods that will attract investment in inner cities. While Social Compact conducted DrillDowns for the neighborhoods of West Oakland, East Oakland, Fruitvale, and Lower San Antonio, all use the same indicators and have nearly identical findings. For the sake of comparison with the other business plans available for the LSED meta-analysis, we reference the *DrillDown for West Oakland*.

The aim of these studies is to identify the market potential for retail in undeserved Oakland neighborhoods. Thus, their aim reflects the goals of the HOPE Collaborative and of the LSED Action Team.

Themes and Findings

The major findings of the business plans and market studies reveal that the West Oakland community has a strong potential for neighborhood-serving retail, and in the case of People's Grocery and Mandela Food Cooperative, especially for neighborhood grocery stores.

The following common indicators appeared at least twice among the studies (*Appendix B* shows the commonalities across all studies):

- Home Sales Values

- Household Income
- Aggregate Neighborhood Income
- Presence of Informal Economy
- Low Income Consumers' Retail Expenditures
- Household Expenditure on Food
- Shopper Profiles
- Ethnicity

Based on these indicators, all of the studies conclude that the retail market in West Oakland is increasing in size (population density) and strength. The findings of most indicators listed above show that the neighborhood has enough financial wealth to support a stable market environment for additional food retail. People's Grocery and Mandela Cooperative leveraged shopper profile and ethnicity information to target consumers with a preference for "healthy lifestyle" products, as well as consumers with varying income levels and shopping habits.

Citywide findings from Oakland's *Retail Enhancement Strategy* (discussed in more detail earlier) support these findings, showing that in 2006, Oakland lost \$230 million in grocery sales as leakage to neighboring cities. This indicates that the grocery store expenditure potential of residents is significant enough to support additional grocery stores in Oakland. This degree of retail leakage is also an indicator that residents must travel to other cities for their grocery goods. In fact, based on findings from the *Strategy's* background research, a large portion of consumers do not shop in their neighborhoods because desired products are not available.

While indicators and findings from the above studies overwhelmingly support the market feasibility for new grocery stores, interviews with People's Grocery Executive Director, Brahm Ahmadi, and the City of Oakland Retail Specialist, Kiera Williams, reveal that the major barrier to grocery store development in underserved neighborhoods is not necessarily the lack of information or "proof" of a strong market, but a **lack of available, affordable, and appropriate retail space**. From Williams' perspective, although there are few sites that are conducive to large format grocery stores (50,000 to 70,000 square feet), there are plenty of sites for small format stores (10,000 to 14,000 square feet) in many Oakland neighborhoods. In fact, Oakland's *Retail Enhancement Strategy* reports that as grocery store chains have been moving to bigger store formats (which require support from an ever-larger trade area), several food merchants have targeted Oakland as a desired location for smaller stores.

From Ahmadi's perspective, however, it is a matter of finding an existing space with the appropriate format and size as well as a matter of cost. Ahmadi explained that while he has not had any problems finding investors who want to invest in the business, he has not been able to find investors who are willing to provide capital for real estate acquisition.

Recommendations and Conclusions

While the studies did not provide recommendations, in an interview, Ahmadi recommended that the City put forward a public commitment to the food sector, suggesting that it provide assistance to small food businesses in the form of land ownership or tax advantages. These recommendations reinforce the need for a **specific food retail attraction strategy** which could include existing resources, like redevelopment funds, to assist with site assembly and acquisition. (*See the accompanying Food System Meta-Analysis for more information on this recommendation.*)

Information Gaps

Since the market studies and business plans were developed for specific retail projects that do not aim to influence policy development, no significant information gaps were identified among these studies. Analysis of studies regarding city-directed efforts for food retail development can be found in the following section of this report.

Food Processing and Distribution Assessments

The health of Oakland's industrial sector has been a recurring political issue for business owners, residential developers, City staff, and City policymakers over the last ten years. For decades, manufacturing, assembly, repair, distribution, and warehousing have been important contributors to Oakland's economy. But in the late 1990's and early 2000's, during the City's housing development boom, many developers invested in industrially zoned areas to build residential development. This resulted in zoning changes (from industrial to residential), conflicting land uses, and rising land values in industrial areas—**major barriers to expansion for existing industrial firms or attracting new firms.**

Throughout the years, several studies have evaluated these issues with the aim of preserving Oakland's the industrial heritage and retaining its industrial jobs and land. The following studies serve as a basis for comparison in this category:

- *Alameda County's Jobs & Economic Development Project, Food Processing Study* (1998)
- *Putting Oakland to Work* (2007)
- *Taking Stock of Oakland's Economy* (2007)
- *Pre-Development Planning for the Oakland Army Base Gateway Development Area* (2007)
- *Forwarding Recommendation on Industrial Land Use Policy and Proposed Criteria for the Conversion of Industrial Land to Non-Industrial Land Uses* (City of Oakland Staff Report) (2005)

The first two studies listed above deal with the issue of creating job opportunities in food manufacturing. The *Food Processing Study* was conducted in 1998 by an independent consultant for the Alameda County Economic Development Alliance for Business (EDAB). At the time of the study, EDAB had been working with food processing industry leaders to identify issues affecting the industry locally and to provide technical assistance for strengthening local businesses.

Putting Oakland to Work was a collaborative project led by staff from the East Bay Alliance for a Sustainable Economy (EBASE) and with contributions from the Oakland NetWork for Responsible Development (ONWRD). The authors of the study define six core components for a successful economic development strategy and assess the challenges and opportunities for developing Oakland's workforce based on these core components.

Taking Stock of Oakland's Economy is a study commissioned by the Oakland Metropolitan Chamber of Commerce (OMCC) in 2007 and authored by OMCC along with an independent consultant. It identifies specialty food manufacturing as one industry among others emerging in Oakland and evaluates how the City's existing attributes can help the growth of this sector.

The *Pre-Development Planning for the Oakland Army Base Gateway Development Area* is a study commissioned by the Oakland Redevelopment Agency in 2007 and authored by independent consultants. It identifies up to 35 acres of dedicated land for food processing and distribution as a part of a redevelopment scenario for the Oakland Army Base.

The City Staff Report was authored by the Community and Economic Development Agency's industrial specialist in 2005. The report played a key role in putting industrial land use conversion on the table for discussion among City policymakers and the community.

All of these studies include food manufacturing as a component of a larger set of topics addressing manufacturing and distribution. The studies are relevant to the goals of the HOPE Collaborative and the LSED Action Team because they identify opportunities for sustaining and further developing the food manufacturing industry in Oakland.

Themes and Findings

All studies suggest that the food processing industry continues to grow in Oakland despite obstacles such as industry consolidation, land use conflicts, and rising land prices. Two studies showed that the food processing industry creates a strong economic multiplier. These suggest that **for every one job in food processing, 3 to 7.5 jobs are added in fields such as agriculture, distribution and sales, transportation, and finance**. They also found that Oakland has unique strengths that attract processing companies: the City's proximity to air and ground transportation services, the presence of local suppliers, and proximity to a strong local market. All studies suggested that **many of Oakland's existing food processors tend to serve local markets** that demand fresh, specialty goods.

The following common indicators appeared at least twice among the studies (*Appendix B* shows the commonalities across all studies):

- Regional Strengths
- Employment Concentration
- Employment Growth
- Growth of Specialty Food Sector (number of companies)
- Industry Growth (revenue and production volume)
- Economic Multipliers
- Job Availability/Accessibility
- High/Low Barriers to Entry
- Job Quality

Each study uses the indicators listed above to provide evidence that the food processing industry in Oakland is growing. To an extent they also show that it has the potential to significantly contribute to the overall local economy. However, because each serves a distinct purpose with varying audiences, the use of other indicators and the themes vary widely among each of the studies.

The *Food Processing Study* is focused on providing the County with 1) a business expansion and attraction strategy, and 2) a workforce strategy. The study appears to be a reaction to the fact that authors perceive food processing as an industry "at risk" of relocating from Alameda County to other areas of California. The study dissects the industry first by analyzing employment and business data, as well as local and national industry trends such as individual company expansion efforts and trends in product development and demand. This analysis indicates that the food processing industry is strong and growing. Based on interviews with 35 industry leaders, the study highlights a number of characteristics of local businesses primarily reflecting the industry's workforce needs and expansion capabilities. The study concludes that many companies are on a growth track and are trending toward automated production systems, indicating that they will be making significant investment decisions in the immediate and mid-term future. The study suggests that **relocation decisions will be based on the ability of companies to physically**

expand their facilities and to access a workforce that is prepared for higher-skilled, technology-oriented jobs.

Putting Oakland to Work is primarily focused on an assessment of job quality and job accessibility in industries that are deemed “important industry sectors for future growth in Oakland.”⁷ The study assesses the “viability and collateral benefits” and “job quality” of the food manufacturing industry primarily by citing evidence stated in the Alameda County *Food Processing Study* and other secondary sources. Based on evidence of the recent relocation of several food manufacturing companies, the study concludes that the industry is volatile - yet due to its significant economic multiplier, the industry has the potential to provide benefits to the overall economy. Additionally, due to its relatively high wages and high job-based health coverage, it has the potential to offer quality jobs to Oakland’s low-skilled workers.

The “risk factor” for the authors of *Putting Oakland to Work* is both a matter of prospective relocation of businesses and of the seasonal nature of the industry. The study suggests that since the industry requires flexibility to respond to market conditions, employers often operate on seasonal schedules or operate on multiple shifts per day. This requires employees to work in cycles of three to six months at a time or during hours that may conflict with transportation and child care needs. The study bases many of its conclusions on information presented in the Alameda County *Food Processing Study*.

The purpose of *Taking Stock of Oakland’s Economy* is to assess Oakland’s unique strengths and existing economic conditions and reveal opportunities and challenges for growth among certain existing and emerging sectors, but it does so in a relatively basic way. It relies primarily on employment and business data to show that the industry is strong in Oakland compared to other areas of California. Other generalized, national data supports the argument that there is an increasing demand for specialty foods across the county. The study reiterates the case that there is increasing demand for specialty foods in Oakland with a discussion of Harvest Hall, a specialty food retail development, soon to open at Jack London Square. With the exception of the last point, there are few findings or other topics of discussion in this report that reveal information unique to other studies analyzed in this section.

The discussion on food manufacturing and distribution within the *Pre-Development Planning Study* for the Oakland Army Base is also relatively superficial. The primary goal of this discussion is to identify possible development opportunities compatible with a variety of land use scenarios for the redevelopment of the Army Base. This discussion relies heavily on qualitative information to conclude that there is likely a strong market demand for food manufacturing space at the Army Base. However, it suggests that the feasibility of this use will depend on the ability of companies to develop relatively low-cost space. The study suggests that **if the cost of development is higher than the prevailing rents for industrial space in Oakland, “a subsidy may be required to minimize development costs and keep rents relatively affordable.”** This key concern reiterates the findings of other studies which point to the volatility of the food processing industry.

The City of Oakland Staff Report *Forwarding Recommendation on Industrial Land Use Policy* was the second of a series of staff reports that analyzed existing policies, options, and industry characteristics concerning conservation, preservation, and retention of industrial land. This report provided the initial analysis of economic and general trends related to industrial land in Oakland.

⁷ The authors based their selection of industries on the findings included in the study, *Taking Stock of Oakland’s Economy*.

The staff report concludes, just as the studies mentioned above have demonstrated, that industrial activities are important activities for Oakland's economy. The report demonstrates that **Oakland's larger manufacturing companies prefer to invest in capital upgrades rather than relocating outside of the City.** This is due to the benefits they gain from being in proximity to air, land, and sea freight services, and well as the presence of local suppliers that can satisfy their "just-in-time" requirements. However, as other studies have also concluded, **the increasing cost of land and the high cost of living are significant disadvantages affecting the viability of the manufacturing sector.** While many of the indicators highlighted in this report point to the overall manufacturing sector, the findings are equally as relevant to the sub sector of food manufacturing since it makes up a large portion of the overall industry.

Analysis of the City's housing needs is largely excluded from the other studies that include food manufacturing as an important activity for the City's economy. This analysis is important because having sufficient and affordable housing is a key indicator of the City's economic and social well-being. A competing interest with the City's ability to provide housing would therefore need to be thoroughly justified as equally beneficial to the City in order to gain political support. The staff report points to the evidence that the loss of industrial land to residential development (and resulting high land prices) is due to the City's housing demand. However, the report also points out that the Housing Element of the Oakland General Plan (2004) identified more than a sufficient number of opportunity sites already zoned for residential development to fulfill the City's mandated regional housing needs allocation. Thus, the report suggests conversion of industrial land to residential use is not necessary to meet housing development needs.

Recommendations and Conclusions

The *Food Processing Study* recommends three sets of strategies to assist the local food processing industry, including:

- Address welfare-to-work and workforce preparedness. This involves designing workforce training programs to meet the industry's needs, and linking the efforts of the Economic Development Alliance for Business (EDAB), local agencies, educational institutes, and businesses.
- Emphasize business retention, rehabilitation, expansion, and attraction activities. This involves creating a county-wide industrial business policy to create a clear and cohesive framework for business development in this sector among County cities.
- Implement actions that the County can take to strengthen food processing companies and their local and national markets. This involves bolstering start-up food companies by setting up an information clearinghouse to help start-ups find financing, navigate the regulatory requirements, provide site assistance, and link to employment training programs. It also includes technical assistance for strengthening regional, national, and international marketing efforts with tactics such as creating cooperative marketing strategies.

Putting Oakland to Work does not provide a clear set of recommendations specific to supporting the food manufacturing industry. However, it suggests that:

- Due to the higher turnover rates experienced by Alameda County food manufacturers, government and employers need to invest in upfront job-readiness training as well as on-going workforce support.

- Due to food manufacturers' thin profit margins, they rarely provide training to move entry-level workers to higher levels of responsibility, including computer and food science jobs. Therefore, companies should collaborate with community colleges and school districts to provide the training necessary for well-developed career ladders.

It appears that the *Food Processing Study* influenced the majority of recommendations made in *Putting Oakland to Work*.

Recommendations from *Taking Stock of Oakland's Economy* are generally focused on City-supported efforts that encourage the growth of small food manufacturing companies. The authors suggest that the City needs to better understand land, infrastructure, and human resource needs. The study includes a set of recommendations that are reiterated throughout the retail and manufacturing studies. While not directed specifically to food manufacturing, the following recommendations are suggested as "strategic enablers" for the City's overall economic success:

- Improve public safety and actively manage the perception of crime in the community. Safety is particularly important to encouraging new investment, new business development, business expansion, and retail in the downtown corridor.
- Enhance the quality of education and workforce training. Better coordinated workforce training and hiring programs will increase employment, which in the longer term will reduce crime.
- Improve the City's business climate with a focus on supporting the growth of small- and medium-size businesses.
- Create and execute a strategic land use policy: zone for business uses, resolve infrastructure issues, clarify design and development standards, and update land use classifications.

The discussion of food manufacturing and distribution in the *Pre-Development Planning Study* for the Oakland Army Base does not make recommendations, as the purpose of this section of the study is simply to inform future land use and development decisions for the redevelopment of the Army Base.

The 2005 City of Oakland Staff Report on industrial land use policy recommended the adoption of "criteria for General Plan Amendments for the conversion of industrial land to non-industrial uses." In 2008, after three years of staff reports and City Council and Planning Commission discussions on this issue, Mayor Ron Dellums submitted a proposed Industrial Land Use Policy to the City Council based on staff recommendations. Staff proposed that the policy be based on the following factors:

- Industrially designated land is a scarce resource in Oakland.
- The preservation of industrially designated land is vital for the future economic growth of Oakland.
- The City recognizes that land use patterns change over time more quickly than General Plan updates occur and that General Plan amendments may be necessary.

- Amendments to the General Plan to allow conversion of industrially designated land to residential uses should be restricted to projects that make the required findings based on a set of criteria, developed through a public process for evaluating such conversions.

Information Gaps

What follows are recommendations for the HOPE Collaborative to address gaps in existing research:

1. Engage in a comprehensive analysis of the food manufacturing industry.

While most of the studies make a strong case for future support of the food processing sector, none provides a compelling argument that this sector has greater or equally promising economic impacts than other sectors in the City. The authors of *Taking Stock of Oakland's Economy* analyze the City's key economic sectors through employment and business data to develop a list of Oakland's "high-opportunity" sectors. However, they do not use a sophisticated method for concluding that Oakland's specialty food sector is a promising, emerging sector and significant contributor to the City's overall economy. The authors make their conclusion based on benchmarking the number of establishments in Oakland to other California cities and by looking at employment numbers. They also make a relatively unfounded case that demand for specialty goods in Oakland is growing. The findings from this analysis provide little proof to explain why this sector deserves special attention and City resources over other competing sectors.

Likewise, the *Food Processing Study* and *Putting Oakland to Work* provide evidence that the food processing industry is strong and shows that the sector has experienced growth. However, with the exception of the sector's high economic multiplier, they do not quantify its contribution to the overall economy nor show how the sector stands in comparison to the other sectors. In addition, the study indicates that food processing is not a high wage industry, with starting wages at \$7 to \$12 per hour in 1998.

From a policymaker's perspective, **it is important to quantify the benefits of pursuing industry development when targeting economic development resources.** Wages and economic multipliers are commonly used indicators that make this case. However, other indicators can be highlighted when an industry does not provide high wage jobs or have a strong economic impact (weighed against other industries targeted for incentives) but does present either a direct or indirect public good to the community.

To date, no study has thoroughly analyzed the food manufacturing industry as it exists today in Oakland. To promote food manufacturing as a legitimate economic and public goods contributor to Oakland, a **comprehensive industry analysis** might examine the following:

- Analysis of what constitutes the industry, such as data on employment, births and deaths of firms, firm sizes, wages, and location quotients (a measurement that demonstrates sector strength, which is calculated from the ratio between local jobs in a sector and regional and/or national jobs in same sector)
- Significant long-term trends in relation to Oakland and the region, such as industry consolidation, technology needs, industry structure, regulations, subsidies, and technical assistance providers
- Asset mapping and gap analysis (workforce and other industry resource needs)
- Economic impact scenarios
- Public benefits analysis (social and environmental indicators)

Because there is such an enormous gap in our understanding of these elements of the food manufacturing industry, a comprehensive industry analysis would be useful to undertake before undertaking any specific policy/advocacy strategies.

2. Identify opportunities for “greening” the food manufacturing sector.

To date, no studies have assessed opportunities for “greening” food manufacturing companies in Oakland or the region. It is well known that companies are more likely to adopt “green” practices when doing so presents obvious cost savings. According to several interviews, many companies are interested in adopting environmentally sustainable practices but are not able to justify the cost. Brahm Ahmadi of People’s Grocery suggested that better alignment is needed up and down the food supply chain (from production, processing and distribution to retail) for companies to achieve cost savings as a component of the implementation of sustainable business practices. In other words, **“greening” only one point in the supply chain may not be cost-efficient, while economies of scale could be achieved if the whole system participates.** Another barrier to greening food manufacturers, offered Jose Corona of Inner City Advisors, is their reluctance to change established business plans, processes, and operations that have been in place for several years, presumably due to both bureaucratic resistance and the costs associated with simply undertaking such a process.

Oftentimes, it takes one or two “catalyst” companies to introduce efficiencies that can influence system change. A study that analyzes effective stimuli and incentives for companies throughout the supply chain to “go green” may be useful in informing companies that are inclined to change practices but hesitate to do so due to the perceived costs.

A “green food-manufacturing study” could assess existing and potential incentives, such as:

- Energy rebates for individual companies
- Benefits that could be achieved if the entire food manufacturing industry participates (such as consolidated purchasing power for renewable energy through block purchasing)⁸

The study could also consider the benefits of **co-location of food processing companies** in Oakland, which might include:

- More efficient use of inputs and outputs as companies share resources and leverage more efficient procurement processes.
- Cooperative marketing that enhances both marketing potential and consumer education. For example, a block purchasing scheme could create economies of scale that generate cost efficiencies, encouraging Oakland food manufacturers to use renewable energy. These companies could then promote their use of renewable energy to teach both consumers and competitors about sustainable food processing practices.

⁸ The concept of block purchasing is similar to “Community Choice Aggregation,” (CCA) which “enables California cities and counties – or groups of cities and counties – to supply electricity to the customers within their borders.” Community Choice Aggregation allows local communities to increase the amount of renewable energy they purchase. Oakland is one of the cities in California that has considered implementing a CCA program. More information on the Local Government Commission is available at: www.lgc.org/cca/.

This effort could serve as a catalyst or model project for other food manufacturers throughout California. With the City of Oakland's recent and elevated attention to the "clean-tech" industry and "green collar" jobs, such an effort among food processors could give this industry more clout.

3. Assess the feasibility of a regionally grown food distribution facility.

Among many of the studies evaluated for this meta-analysis, there is no analysis concerning the ability of food processors, distributors, restaurants, and retailers to source regionally grown produce. Even more, the interviews and assessment reviews provided no specific project or policy goal that has made this a priority or even a secondary concern.

The food manufacturing and distribution sectors could benefit from an assessment that determines the demand for such products and the ability for the region's growers to meet the demand. For example, this information would have been useful for the People's Grocery and Mandela Food Cooperative market studies and business plans since both efforts are concerned with providing their potential customers with healthy, locally grown, fresh produce. Likewise, this information could be used to guide recruitment efforts of future grocery stores as part of Oakland's *Retail Marketing Strategy*. This information could also guide any future food manufacturing business development studies to show whether and how processors can incorporate the use of regionally grown goods into their business models.

The intent would be a supply and demand analysis to identify an efficient means of regional food distribution. It should:

- Analyze whether there is emerging or latent demand for regionally-produced goods
- Develop concepts for an operational model
- Assess the economic impacts such a model would have on the City
- Identify whether Oakland is a feasible and appropriate location for a model distribution facility

The New York City Farmers' Market Study,⁹ conducted in 2005 for the New York State Department of Agriculture and Markets, could serve as a model for a future study. This study tested the feasibility a specialized market facility where regional farmers could earn a higher share of the consumer dollar than through conventional wholesale marketing channels and where restaurants, retail stores, caterers, and other institutions could conveniently access regionally produce goods. The study identified four factors to consider in testing the feasibility of a wholesale farmers' market, including **buyers' and sellers' preferences for products, market location, delivery services, and access to wholesalers**. The study also assessed the economic impacts that such a wholesale farmers' market facility would generate if it were to be located in New York City. These include the direct and indirect effects on employment and spending resulting from the operations of the facility, as well as the induced effects on output, earnings, and employment from the construction and operation of the market.

⁹ Market Ventures, Inc., Karp Resources, Urbanomics of New York & New Jersey, Hugh A. Boyd Architects, Buckhurst Fish & Jacquemart, Inc. *A Study on Development of New York City Wholesale Farmers' Markets*. January 2005.

IV. Conclusions and Recommendations for Future Action

The story the studies tell is one that is already well known among people who live, work, or do business in Oakland. Like the rest of California, Oakland's population is growing and in the process seeking affordable housing, good jobs, and the types of goods and services necessary for vibrant communities. Studies also reveal that Oakland's current community of residents has strong spending power—and this will increase as the population grows. However, the City currently has a weak retail sector and especially lacks a sufficient amount of food retail stores to satisfy neighborhood needs. Among other indicators, studies point to high levels of crime and insufficient investment in revitalization, suggest that Oakland neighborhoods are currently unable to sustain strong retail corridors with vibrant spaces and a healthy environment.

Although the set of studies reviewed for this meta-analysis together present a story of hope for part of Oakland's food system, there is a lack of attention on the intersection among food, families and youth, and economic development. As suggested in the gap analysis above, this juncture of the food system could be highlighted by pursuing strategies that 1) demonstrate the various attributes of "public good" resulting from a strong retail sector, and especially as it relates to food retail, and 2) build a nexus among factors such as food security, land use, neighborhood investment and revitalization, education, and public health.

Several studies suggest there are opportunities for Oakland to grow its economic base by developing a variety of "industry clusters," or groups of firms in different sectors that benefit from being located near each other. Several analyses attempt to show that food manufacturing is able to offer quality jobs with low barriers to entry, prospects for career growth, and living (albeit relatively modest) wages. The industry has historical roots in Oakland and is reshaping itself to satisfy the regional market, whose customers demand fresh, specialty foods. Geographically centered amidst a vast transportation network and close in proximity to a large and strong market, Oakland has historically been a desirable location for food manufacturing. Among the studies, recommendations suggest this industry could be better developed in Oakland by creating well-coordinated workforce training programs, an improved business climate focused on supporting emerging businesses, and a clear set of land use policies that provide a sense of certainty and security for investment in growth.

Missing altogether from these studies is an assessment on the existing and potential economic contribution of food waste in Oakland. Such an assessment could evaluate economic opportunities that help Oakland to achieve its Zero Waste goal by 2020. A study might include an analysis of the City's current food waste stream and its economic impact in Oakland, and an examination of the economic tradeoffs that food-related business (such as processors, retailers, restaurants, and institutions) experience when they participate in waste diversion and recovery efforts. A separate study might analyze the environmentally sustainable food packing industry to show whether a market in Oakland could support industry development and what economic contributions it would have in terms of jobs and tax base.

The studies analyzed for this meta-analysis offer a starting point upon which further strategies for action and research can build. As demonstrated by the studies, the relationship between the City's economy and its food system is mostly understood through its food retail and manufacturing activities. However, these studies have not explicitly conveyed how economic development strategies can catalyze change for a more sustainable food system and how the food system can contribute to the economic health of the Oakland community. The following table (Table 2) includes a set of recommendations that should be considered to evaluate existing conditions and

future systems change. The intent of these recommendations is to develop better public understanding of the existing conditions of Oakland’s economic development as it relates to the local food system. This includes improving dialogue among the Mayor and his staff, City legislators, and City staff that integrates food systems change strategies across all City departments and agencies.

Table 2. Recommendations for Further Study and Action

Recommendations	Targeted Strategies
1. Understand economic and public benefits of investing in food retail development	<ul style="list-style-type: none"> ▪ Demonstrate the public good and economic benefits generated from investing in attracting and expanding food retail. ▪ Demonstrate the region’s social, economic, and environmental gains from increased sustainable food retail. ▪ Improve policy development targeted toward dedicated resources to grocery store development.
2. Build the nexus between community development, food security, and health	<ul style="list-style-type: none"> ▪ Integrate a more fully developed grocery store attraction strategy, including tactics on improving access to healthy food, into the City’s existing <i>Retail Enhancement Strategy</i>. ▪ Educate the Mayor and his staff on the systemic issues revolving around the City’s “food security” problems and develop the issue as a strong mayoral platform. ▪ Host a set of roundtables that educate Mayor and his staff, the Community and Economic Development Agency (CEDA), Department of Human Services, and other City agencies on how departments can work together around Oakland’s food security issues.
3. Quantify the economic impact of locally owned businesses	<ul style="list-style-type: none"> ▪ Demonstrate the economic impacts resulting from locally-owned businesses. ▪ Increased comprehensive support for locally-owned small business development.
4. Utilize asset mapping and gap analysis for jobs and small business development	<ul style="list-style-type: none"> ▪ Increase City’s competitive position for retail attraction and development. ▪ Create strategic and efficient planning among economic and workforce development, and skills training organizations for future food retail jobs. ▪ Increase knowledge among relevant agencies and organizations of the types of training needed to meet the demand for appropriate technical and business skills.
5. Engage in a comprehensive food manufacturing industry analysis	<ul style="list-style-type: none"> ▪ Develop compelling argument that food manufacturing has promising economic impacts on the City by quantification of economic and public benefits. ▪ Improve policy development targeted toward dedicated resources to food manufacturing development.
6. Identify opportunities for “greening” the food manufacturing sector	<ul style="list-style-type: none"> ▪ Launch a “greening” opportunity toolbox for food manufacturing companies in Oakland and the region. ▪ Identify model companies that can act as catalysts to influence systems change.
7. Analyze the feasibility of a regionally grown food distribution facility	<ul style="list-style-type: none"> ▪ Demonstrate the demand for regionally grown produce among the City’s food manufacturers, distributors, restaurants, and retailers. ▪ Demonstrate the capacity for regional producers to meet demand in Oakland. ▪ Demonstrate an effective means for regional food distribution. ▪ Demonstrate that Oakland is a suitable location for a regional food distribution facility.
8. Identify economic opportunities of food waste	<ul style="list-style-type: none"> ▪ Demonstrate economic impacts of food waste in Oakland and opportunities to accelerate Oakland’s Zero Waste goal. ▪ Assessment of food packing industry and ability of Oakland to support industry.

Appendices (see attached)

Appendix A: Assessment Summaries

Appendix B: Indicators and Themes

Appendix C: Bibliography

Appendix D: Interview List and Interview Protocol