FRUITVALE

ECONOMIC DEVELOPMENT AND COMMERCIAL CORRIDOR STRATEGY

THE UNITY COUNCIL
50TH ANNIVERSARY

Table of Contents

Figures

Tables

Executive Summary

INTRODUCTION

Oakland's Fruitvale District is a unique and vibrant corridor for shopping, community services, and cultural events. A Business Improvement District (BID) was approved by local property owners in 2001 to continue funding commercial revitalization activities introduced during a successful, nationally funded pilot initiative, which is credited with the resurgence of the commercial district during the 1990s. Since then, property owners and merchants have invested nearly $5 million in maintenance, security, building façade, and other improvements benefitting roughly 300 storefronts located in the district. In recognition of the progress that has been made and the potential to continue strengthening the corridor, the Unity Council (a long-standing community development corporation) and the Fruitvale BID have engaged AECOM's Sustainable Economics Group to prepare an Economic Development and Commercial Corridor Strategy defining the next phase in the district's revitalization.

STUDY PURPOSE AND APPROACH

The purpose of the Fruitvale Economic Development and Commercial Corridor Strategy is to develop a framework for increasing commercial activity in the district in consultation with business, community, and public agency stakeholders. The framework identifies key issues facing the corridor, synthesizes community priorities, and defines strategic objectives and priority actions that the Fruitvale BID, the Unity Council, and other partners can undertake to improve social, economic, and physical conditions in the district.

The project was initiated in late April 2014, and included economic and demographic analysis, a physical and land use assessment, an intercept survey of 110 shoppers, 20 stakeholder interviews, and case studies of similar commercial corridors. Based on findings from these tasks, preliminary strategy recommendations were developed and presented to community stakeholders at a meeting organized by the Unity Council in October 2014. Stakeholders helped refine and prioritize strategies ultimately presented in this report, highlighting critical action items that make the best use of the limited resources of the BID and its public and private sector partners.

Two primary geographic areas are considered by this study:

- **The Focus Area:** Strategy recommendations are focused on increasing business activity within the boundaries of the BID ("the focus area" or "the BID"), encompassing International Boulevard from Fruitvale Avenue to 42nd Avenue, Fruitvale Avenue from East 12th Street to Foothill Boulevard, East 12th from Fruitvale Avenue to 35th Avenue, and Foothill Boulevard from Fruitvale Avenue to 34th Avenue.
- **The Trade Area:** Most of the economic and demographic analysis is presented for the BID' s primary trade area ("the trade area"), which is defined as a 1 mile radius from the center of the BID, based on an assessment of the surrounding competition and where local retailers are currently drawing the most of their customers. (See Figure 2, in the complete report.)

NEIGHBORHOOD CONTEXT

The Fruitvale Business Improvement District represents a commercial corridor consisting of roughly 300 parcels within a trade area that is primarily residential. Over the last fifty years, the BID has emerged as an important cultural and commercial center for the Bay Area's Latino community. The district offers Latino-oriented goods and services, authentic Mexican and Central American cuisine, and widely attended cultural events such as Día de Los Muertos which draws as many as 80,000 people per year.

In addition to its retail and restaurant offering, a distinguishing feature of the district is its rich network of social services, including health centers, schools, and social service organizations, which serve as major employers, draw additional customers to the area, and provide services that help stabilize the surrounding community. Combined, health and service agencies employ approximately a quarter of the workforce in the trade area. The three largest non-profit organizations serve more than 40,000 people per year.

The BID is a truly multimodal corridor accessible by vehicle, BART and soon, Bus Rapid Transit (BRT). The BID attracts the highest vehicle traffic of any commercial area along International Boulevard (50,000 daily vehicles). Ridership at Fruitvale's BART station exceeds 8,000 daily passengers. AC Transit will soon construct multiple Bus Rapid Transit (BRT) stations along International Boulevard, with enhanced service launching in 2017. The Fruitvale Transit Village, developed by the Unity Council, acts as an important mixed-use, transit-oriented development linking the BART station to International Boulevard. The next phase of the project will add 275 residential units to an adjacent lot.

KEY FINDINGS

FRUITVALE RESIDENTS

The BID's primary trade area includes 50,000 residents, 15,000 households, and a high concentration of young families with children—an important retail market segment. At 25 residents per square mile, population density within the trade area is double the citywide average. Retail spending power is also more concentrated. Despite having lower per capita and median incomes, residents support a combined $102 million in disposable income per square mile compared to $80 million per square mile in the City of Oakland.

The project team's intercept survey confirms that nearby residents are the primary customers of the district. Two thirds of shoppers say they live nearby and another 12% report working nearby. Current shoppers tend to be loyal customers who do most of their shopping in the district and arrive on foot or by public transit. The district's transit access, affordable goods, walkability, and street activity were the most commonly cited advantages of the district compared to other retail districts that shoppers are familiar with. Greater security presence, street cleaning, and shopping variety were cited as the most needed improvements, with security presence being cited by half of all respondents.

RETAIL DEMAND AND SPENDING OPPORTUNITIES

The combined retail demand of residents and inflow customers (e.g., workers and transit riders) is estimated to be $350 million. Currently, the Fruitvale BID captures just 10% of total retail demand in the trade area. Another $101 million (29%) of local retail demand is being spent elsewhere within the 1 mile trade area, which includes Fruitvale Station Mall, Home Depot, and retailers on High Street. The remaining $204 million in local retail demand is spent outside the trade area altogether.

Based on feedback from shoppers and a detailed analysis of retail spending patterns, the BID is in the strongest position to attract a new grocery store, drug store, and/or clothing and accessories store. It is estimated that local demand could support an additional 20,000 square foot grocery store, a 40,000 foot drug store, and 50,000 square feet of clothing retail.   One challenge to recapturing local spending through new development is the lack of vacant or underutilized sites in the commercial district; only one vacant parcel above 20,000 square feet designated for commercial use was identified within the focus area.

BUSINESS CONDITIONS

The Fruitvale Business Improvement District counts 365 businesses and non-profit organizations within the trade area. Of these, 45 are health, education and human services organizations. Another 120 establishments specialize in personal and business services such as beauty salons and financial services. The remaining 200 establishments (more than half of all establishments) are retail storefronts and restaurants.

Restaurants have been especially important to the BID in attracting new customers seeking a taste of Fruitvale's rich culinary history. While composing approximately a fifth of retail establishments and contributing an equivalent share of local retail sales, eating and drinking places are responsible for generating more than three-quarters of retail reviews on Yelp.com.

Conversations with community stakeholders revealed that stagnant sales and rising commercial rents are one of the primary concerns of local merchants. Sales in the BID have recovered more slowly than in the trade area overall, while local commercial brokers report an upward trend in asking rents. Given that there is more existing retail space per capita in the Fruitvale than in the city overall, supporting sales growth at existing establishments should be considered as important to boosting business activity as additions to the retail inventory.

Other priorities emphasized by community stakeholders who participated in this study included reducing the reality and perception of crime in the district, streamlining permitting for food and beverage establishments, promoting local businesses at district events, enforcing street vending and building code regulations, and ensuring safe and accessible replacement parking for spaces along International Boulevard relocated as a result of the BRT project.

PHYSICAL CONDITIONS

In recognition that the Fruitvale has a rich cultural heritage and the public realm provides an opportunity to express its unique character, the project team conducted a site assessment of physical conditions in the Fruitvale identifying priority streetscape and landscape improvements that could enhance the district's ability to attract and retain a vibrant retail sector. This assessment identified opportunities for public realm enhancements to the Avenida de la Fuenta Plaza and key pedestrian routes linking International Boulevard to transportation nodes (BART, BRT and visitor parking) aimed at fostering a greater perception of safety and inviting residents and visitors alike to spend more time in the district.

STRATEGY RECOMMENDATIONS

Based on the findings above, strategies were proposed to diversify the district's retail offering, promote the district as a regional destination, encourage a clean and safe shopping environment, activate and enhance the public realm, and foster civic capacity. Community stakeholders met at the Unity Council to prioritize action items within each of the five strategy areas that best make use of the limited resources of the BID and its public and private sector partners.

The following are a selection of the priority action items for the BID identified by the Fruitvale Economic Development and Commercial Corridor Strategy:

- Work with the City of Oakland and local brokers to close retail gaps in grocery, clothing and drug stores.
- Create a simple marketing website for the BID that builds on the district's identity as a Latino/multicultural center and highlights the area's culinary offering.
- Advocate for a police foot patrol on International Boulevard and reinstate the safety ambassador program serving the BID.
- Consider the adoption of flexible parking benefit district to free up parking spaces near key commercial nodes and raise funds for streetscape improvements.
- Add active open space element (such as a play structure) between International Boulevard and the Fruitvale BART station.

Introduction

The Fruitvale has served as one of Oakland's primary commercial districts for more than a century and as a cultural center of the Bay Area's Latino community since the 1960s. Challenges with crime and disinvestment in the 1980s led to a period of crisis in the commercial district, with vacancy rates reaching as high as 40%.

In 1996, The Unity Council, a not-for-profit community development corporation founded in the Fruitvale District, embarked on a pilot initiative funded by the National Main Street Program and the Local Initiatives Support Corporation (LISC) to revitalize the commercial corridor. Over the course of four years, the Unity Council and its partners introduced a façade improvement program, provided technical assistance to small businesses, and organized the district's first Día de Los Muertos festival. As a result of these efforts, vacancy rates fell dramatically and International Boulevard reemerged as a vibrant commercial corridor.

When the pilot initiative came to an end in 2000, property owners voted to approve the establishment of the Fruitvale Business Improvement District (Fruitvale BID) administered by the Unity Council to continue supporting commercial revitalization activities, including maintenance and security services benefiting the roughly 300 storefronts located in the district. Since then, property owners and merchants have invested nearly $5 million in maintenance, security, building façade, and other improvements (2014 dollars).

In recognition of the progress that has been made, the importance of the corridor to the City of Oakland, as well as the potential to continue strengthening the commercial corridor, the Unity Council and the Fruitvale BID have engaged AECOM's Sustainable Economics Group to prepare an Economic Development and Commercial Corridor Strategy defining the next phase in the district's revitalization.

Figure 1: Fruitvale Corridor Images

Source: AECOM 2014.

Strategy Overview

PURPOSE

The purpose of the Fruitvale Economic Development and Commercial Corridor Strategy is to develop a framework for increasing commercial activity in the district in consultation with business, community, and public agency stakeholders. The framework identifies key issues facing the corridor, synthesizes community priorities, and defines strategic objectives and priority actions that the Fruitvale BID, the Unity Council, and other partners can undertake to improve social, economic, and physical conditions in the district.

STUDY AREA

Figure 2 illustrates the two geographic areas referenced by the Fruitvale Economic Development and Commercial Corridor Strategy.

- *The Strategy Focus Area ("the BID")* covers the boundaries of the BID, encompassing International Boulevard from Fruitvale Avenue to 42nd Avenue, Fruitvale Avenue from East 12th Street to Foothill Boulevard, East 12th from Fruitvale Avenue to 35th Avenue, and Foothill Boulevard from Fruitvale Avenue to 34th Avenue. Zone 1 of the BID, encompassing International Boulevard and East 12th Street, represents the area of the district where commercial activity is highest, and receives primary attention in the strategy recommendations.
- *The Trade Area* represents the area for which much of the economic and commercial data was collected. The Trade Area is essentially the primary retail market capture area and the Focus Area's primary retail competition for neighborhood serving goods. The Trade Area encompasses a 1 mile radius from the center of the BID. The Trade Area is bounded by 23rd Avenue, Brookdale Avenue, 53rd Avenue, and the Oakland Estuary (Alameda is excluded). While these are not the traditional boundaries of the Fruitvale neighborhood, the radius is a fair definition of the resident population for whom the BID is their most convenient shopping district; all residents of the Trade Area are within a five minute drive from the center of the BID. While AECOM reviewed a larger trade area initially, surrounding competition, the nature of the district, and the relative convenience, or lack therein of accessing the BID led to a neighborhood-focused retail trade area versus a larger trade area that would include Alameda, San Leandro, and the Dimond District. This does not mean retailers will only capture dollars from residents and workers in the trade area, but rather, they are the *primary source* of customers for the B>ID.

Figure 2: Fruitvale Study Areas

Source: AECOM 2014.

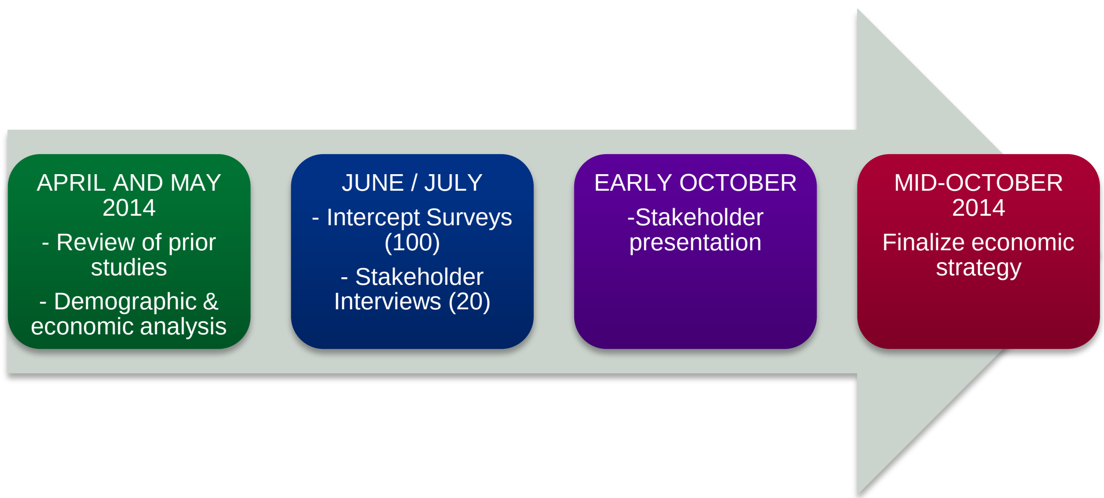
METHODOLOGY AND PROCESS

The Unity Council and AECOM (the project team) initiated the project in late April 2014, defining the purpose of the strategy, a list of stakeholders to engage, and a scope of work. The work included six phases carried out over six months:

- Review of background materials;
- Economic and demographic analysis;
- Physical and land use assessment;
- Intercept survey of 110 shoppers conducted by the Unity Council;
- Twenty stakeholder interviews with businesses, property owners, community members, and public agencies;
- Strategy development.

Preliminary strategies were presented to the stakeholder group in early October and revised to reflect the feedback and priorities of those in attendance. The strategy was finalized in mid-October. A timeline of the project is illustrated in Figure 3. A complete list of the many stakeholders who contributed to this effort is included in the Acknowledgements section of this report.

Figure 3: Project Phases



Source: AECOM 2014.

PREVIOUS STUDIES CONSULTED

In recent years the Unity Council, the City of Oakland and other stakeholders have undertaken studies on conditions in the Fruitvale District and surrounding areas. To integrate and build on previous studies, the project team considered the following reports:

- East Bay Bus East Bay Bus Rapid Transit Project in Alameda County Final Environmental Impact Report (2012)
- International Boulevard Transit Oriented Development Plan (2011)
- Oakland Retail Enhancement Strategy (ORES) (2008)
- Neighborhood Market DrillDown: Fruitvale District (2005)
- Fruitvale Alive! Community Transportation Plan (2005)
- Fruitvale Business Improvement Management Plans (2006 and 2011)

Context

LAND USE AND ZONING

EXISTING LAND USE

The BID consists of approximately 70 acres of land divided into more than 300 parcels with a mix of commercial, institutional and medical land uses (see Table 1). About 56% percent of the total land area is dedicated to commercial uses, including auto-related repair shops and storefront retailers, supporting more than 1 million square feet of built inventory (Costar 2014). Another 25% of land area is occupied by institutional and medical uses. Within the larger trade area, residential is the predominate land use, representing more than half of total land area.

Commercial uses within the BID constitute approximately one-third of all commercial land uses contained by the larger trade area. Competing commercial areas include Fruitvale Station Mall (East 9th Street), various retailers and repair garages located on High Street (between International and Foothill Boulevard), and a Home Depot shopping center (4000 Alameda Avenue). While Fruitvale Station and Home Depot, in particular, are oriented toward a broader regional market, all four commercial nodes also compete in serving trade area residents.

Table 1: Land Area Distribution in the BID and Trade Area

	BID	Trade Area
Residential	13%	57%
Commercial	56%	9%
Institutional/Medical	25%	17%
Industrial	0%	14%
Vacant/Parking	5%	4%
Total	100%	100%
Total Land Area (sq. ft.)	3 million	60 million
Total Parcels	312	8,741
BID Share of Trade Area Commercial Land Uses	33%	-

Source: AECOM 2014, Alameda County Assessor's data 2013.

DESIGNATED ZONING

Figure 4 reviews the zoning designations for the BID and trade area.

Parcels located along the International Boulevard segment of the BID are primarily zoned Community Commercial: CC-2 or Neighborhood Commercial: CN-2. The CC-2 zoning permits a wider range of commercial uses, while the CN-2 zoning encourages compact, neighborhood-serving commercial uses. Both allow for residential uses on the upper floors.

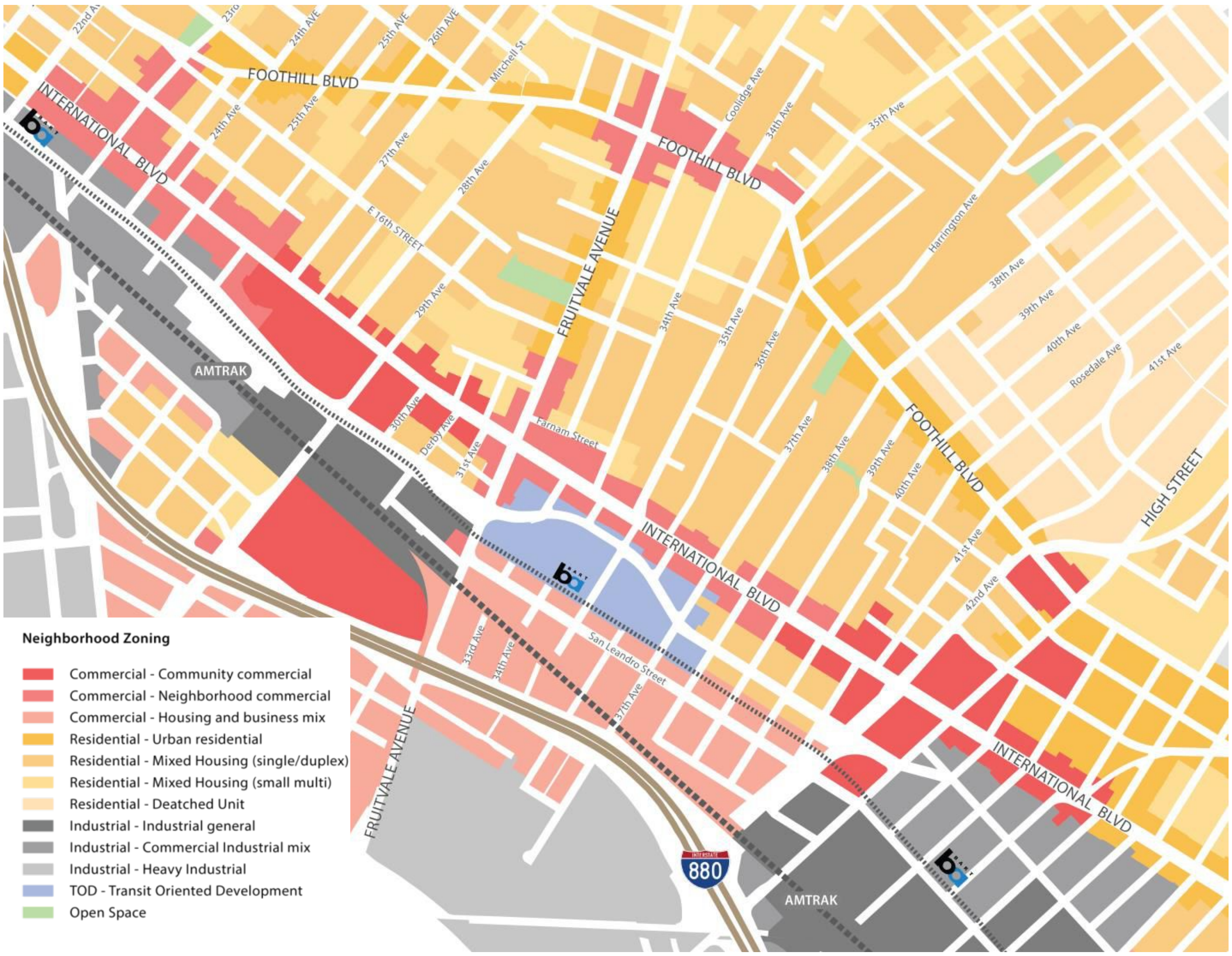
The Fruitvale Avenue segment is zoned Neighborhood Commercial: CN-3 near the International Boulevard and Foothill Boulevard intersections and Urban Residential: RU-2 along interior blocks. The CC-3 zoning encourages pedestrian-oriented commercial uses and allows for residential uses. RU-2

Zoning is designated for low- and mid-rise multifamily structures and neighborhood-serving commercial uses.

The Foothill Boulevard segment of the focus area is zoned CN-3 near the intersections with Foothill Boulevard and High Street and Residential Urban: RU-4 and RU-5 along interior blocks. RU-4 and RU-5 zoning allow for multifamily, mid-rise and high-rise residential structures. Commercial uses are restricted to the ground floor only.

Finally, the East 12th Street segment of the focus area—the site of the Fruitvale Transit Village—is zoned for Transit-Oriented Development (S-15). The S-15 zoning encourages high-density, mixed use developments, and allows for the number of units to be increased further with a special use permit.

Figure 4: Study Area Zoning



Source: AECOM 2014, City of Oakland zoning maps 2013.

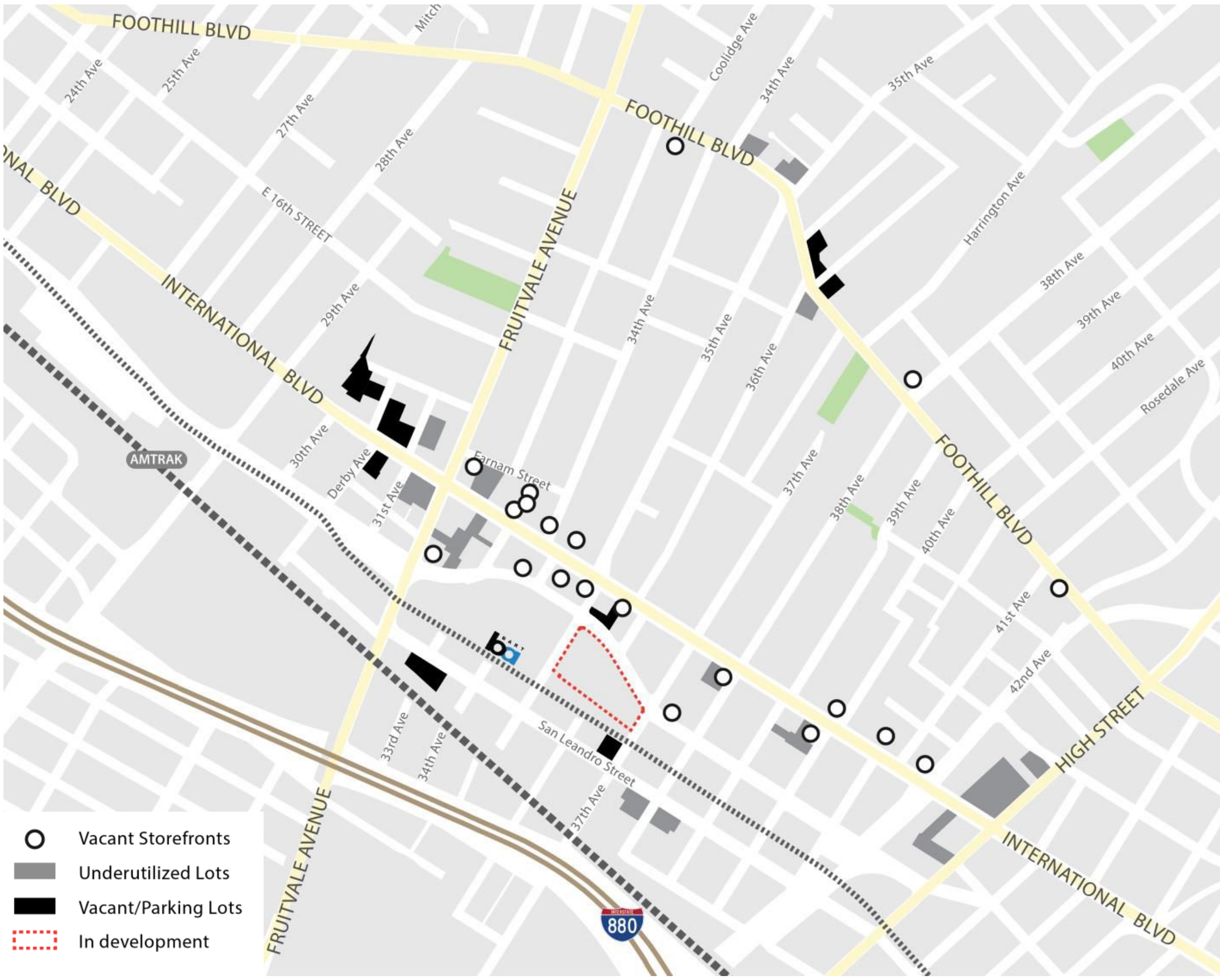
OPPORTUNITY SITES AND VACANT STOREFRONTS

Figure 5 highlights vacant and underutilized parcels with development potential, as well as retail storefronts listed as vacant as of May 2014. Vacant parcels refer to parking lots or undeveloped lots. Parcels are defined as underutilized in cases where the assessed value of built structures is less than the assessed land value. Parcels zoned for low-density residential or industrial uses, as well as parcels with below 10,000 square feet of land area, were excluded from the analysis. The city-owned parcel at 3050 International Boulevard (proximate to Fruitvale Avenue intersection) is the only vacant, commercial-zoned parcel above 20,000 square feet in the vicinity of the BID. A prior feasibility study for this site proposed either street-fronting retail uses and/or a mixed-use housing and medical office development. A complete list of vacant and underutilized parcels can be found in the Appendix.

Vacant and underutilized parcels are most concentrated at the intersections of Fruitvale Avenue and International Boulevard and at the intersection of International Boulevard and High Street (just outside the focus area). These intersections are targeted for future development by the International Boulevard Transit-Oriented Development Plan. They also represent the locations of two of the Bus Rapid Transit stations planned for the district.

There are currently 90,000 square feet of vacant built commercial space in the BID. Retail availabilities are most concentrated on International Boulevard between Fruitvale Avenue and 36th Avenue.

Figure 5: Retail Vacancies and Opportunity Sites



Source: AECOM 2014, Alameda County Assessor's data 2013.

NEIGHBORHOOD FEATURES

HEALTH, EDUCATION, FINANCIAL AND SOCIAL INSTITUTIONS

A distinguishing feature of the Fruitvale is its rich network of services. Health and educational services employ nearly 2,000 workers within the trade area. Two health clinics, La Clínica de la Raza and Native American Health Center, together receive approximately 140,000 visits per year from 30,000 patients. Fifteen elementary and middle schools and two high schools serve thousands of students within the trade area. Three major banks holding more than $135 million in deposits provide financial services to the trade area. Non-profit human service and community development organizations such as the Spanish Speaking Citizens Foundation and the Unity Council offer educational, financial, and leadership development programs to local residents. The Unity Council, in coordination with the Fruitvale BID, holds regular community events including a weekly Farmer's Market, as well as the annual Día de los Muertos and Cinco de Mayo festivals.

TRANSIT ACCESS

The Fruitvale is a truly multimodal corridor. Its BART station ranks fifteenth in passenger traffic among 44 stations, serving more than 8,000 riders on weekdays. Within the study area, International Boulevard accommodates more than 50,000 daily vehicles and 6,000 1 and 1R bus riders. Other major bus routes along the corridor include the 54 (Fruitvale BART to Merritt College, via 35th Avenue), the 20 (Dimond District to Downtown Oakland, on Fruitvale Ave.), and the 40 (Downtown Oakland to Bayfair BART, on Foothill Boulevard).

BRT

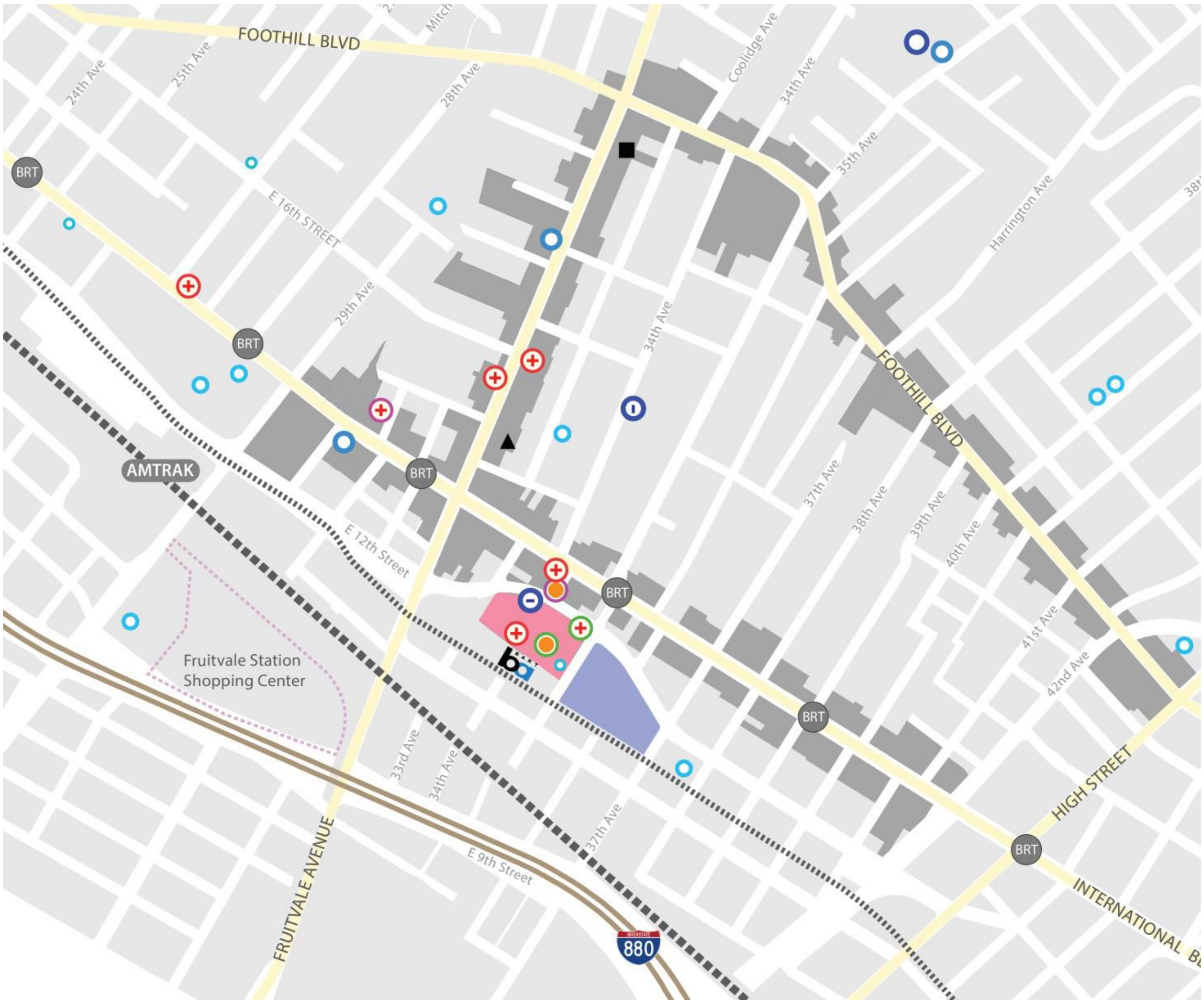
AC Transit is moving forward with a $180 million project to replace the current 1/1R bus route with a Bus Rapid Transit (BRT) line connecting downtown Oakland to San Leandro. The BRT line will feature one dedicated bus lane in each direction on International Boulevard, five-minute headways, and covered passenger facilities with off-board fare payment, additional lighting and security cameras. Construction is expected to begin by 2015, with operations planned for the end of 2017. Three stations are proposed within the BID and another two are planned near the BID's borders; intermediate bus stops along International Boulevard will be removed.

While the BRT has the potential to significantly improve transit service and increase ridership within the BID, the project also presents challenges to the corridor by removing two lanes to vehicle traffic, reducing parking capacity on International Boulevard and potentially disrupting traffic during construction. To mitigate these impacts, AC Transit has committed funds for enhancing parallel arterials, converting non-restricted parking to metered parking on side streets, and providing technical assistance to small businesses located along the BRT route. Near the BID, the Fruitvale Bypass at Derby Avenue, slated for construction in 2015, aims to relieve congestion on International Boulevard by diverting traffic to East 12th Street and San Leandro Boulevard. To address the loss of 35 of 150 parking spaces in the focus area at least temporarily, AC Transit has purchased a vacant parcel near the intersection of 35th Ave. and International Blvd. AC Transit also plans to relocate 22 parking meters to side streets intersecting with International Boulevard. AC Transit and the City of Oakland are in the process of preparing a Business Impact Mitigation Plan, which will define the types of assistance that will be provided to small businesses along the corridor.

PLANNED AND PROPOSED PROJECTS

The largest planned project near the BID is Phase II of the Fruitvale Transit Village, located on a former BART surface parking lot. The first phase of the Transit Village, a 255,000-square foot mixed-use development, combines 47 housing units with retail, office and medical space. In total, Phase II will feature up to 275 market rate units and a five-story parking garage; construction for the first 92 units is expected to begin in 2015. Other pending projects in the focus area include a 40,000 square foot civic building filed by the Spanish Speaking Citizens Foundation and a 60,000 square foot squared nursing facility with medical offices and retail located off International Boulevard.

Figure 6: Neighborhood Features



Fruitvale Business Improvement District

- Business Improvement District - BID
- Transit Village - Phase 1
- Transit Village - Phase 2

Education

- Early Childhood Centers
- Elementary Schools
- Middle Schools
- High Schools
  - Arise High School
  - Saint Elizabeth High School

Transportation

- BART Station
- BRT Proposed BRT Stops

Health and Social Organizations

- The Unity Council
- SPANISH SPEAKING CITIZENS FOUNDATION
- Health Services
  - La Clinica de La Raza
  - Native American Health Center

District Events

- Dia de Los Muertos & Cinco de Mayo
- Farmer's Market (Thursdays/ Sundays)

Source: AECOM 2014, AC Transit BRT Design plans.

Findings

OVERVIEW OF FINDINGS

NEIGHBORHOOD ASSETS

Through economic analysis, a physical assessment, and community outreach, the following community assets were identified that make the Fruitvale a unique and vibrant commercial district. These include:

- ***A rich social services network:*** Non-profits in the trade area serve as major employers, draw additional visitors to the district, and provide services that help stabilize the Fruitvale community. The three largest non-profit organizations in the focus area serve more than 40,000 clients/patients per year. Combined, all health and service agencies employ approximately a quarter of the workforce in the trade area.
- ***Competitive transit access:*** Shoppers view access to the Fruitvale as superior to other shopping districts in the East Bay due to its proximity to BART and AC Transit service. The focus area has the highest combined foot and vehicle traffic of any node on the International Boulevard corridor. Planned investments in BRT will enhance transit service in the district.
- ***Surprisingly large inbound workforce:*** Businesses in the trade are employ 8,600 workers; approximately 8,000 of these employees work in the district but live elsewhere. These employees, along with roughly 8,000 BART passengers, represent an additional customer base to local businesses.
- ***Family-oriented community:*** A greater share of households in the Fruitvale are families with children compared to the city overall, and nearly two-thirds of residents are under 35 years old. Young families typically have greater retail needs than households without children. Shoppers also note that the presence of families makes them feel safer spending time in the focus area.
- ***Concentrated spending power:*** Despite having lower per capita incomes, trade area residents collectively possess more spending power per square mile than the city average.
- ***Loyal shoppers:*** A large share of current shoppers report doing most of their shopping within the BID. BID retailers receive high marks for offering basic goods that residents need at affordable prices. The district's high concentration of linguistically isolated households also gives local Spanish-speaking retailers an advantage.
- ***Multicultural commercial district with strong Latino identity:*** The Fruitvale District is a multicultural commercial district with the potential to become a truly regional destination for Latino-oriented goods and services. The annual Día de los Muertos festival is attended by as many as 80,000 people. Two-thirds of shoppers say they have been to a special event in the district. Throughout the year, restaurants and food trucks draw visitors seeking an authentic Mexican and Central American culinary experience. In other words, the Fruitvale District has brand recognition which the BID can build on.
- ***Gateway to the community***: The mixed-use Fruitvale Transit Village, which links the Fruitvale BART station to International Boulevard, is an important gateway to the community. Owned and operated by the Unity Council, the project has attracted new retailers and residents to the district and includes a pedestrian plaza that can be used for various community activities.

TOP CONCERNS AND CHALLENGES

The analysis also revealed the following challenges facing the focus area:

- ***Public Safety:*** Stakeholders are justifiably concerned with crime and safety in the district. Rates of robbery and vehicle theft are significantly higher than elsewhere in Oakland. The perception and reality of crime is reported to deter shoppers from extending their stays in the focus area.
- ***Retail Sales Not Keeping Pace with Lease Rates*****:** While retail brokers report an upward swing in asking prices for commercial space, sales tax data for the BID shows retail sales have declined in real terms since 2008. There is a concern that if lease rates continue to rise, existing businesses will face displacement. Note that the analysis does not account for unreported retail sales although it would be difficult to explain why the ratio of unreported sales would change over time as unreported sales has been a historic condition in this retail district.
- ***Low Capture of Overall Trade Area Retail Sales and Lack of Retail Diversity:*** The BID represents nearly 40% of occupied commercial space in the trade area but captures less than 20% of total trade area retail sales. More than half of local retail demand is met outside the trade area altogether. Shoppers in the district expressed desire for greater retail diversity, particularly for higher-quality goods and an updated store offering. With more retail space per capita in the Fruitvale trade area than Oakland overall, increasing sales at existing establishments will be as important to increasing business activity as additions to the retail inventory.
- ***Concerns with BRT:*** Merchants and some residents expressed unease with adapting to the Bus Rapid Transit project; the loss of parking and vehicle capacity along International Boulevard were mentioned as the primary concerns. While these concerns may be unfounded, the current sentiment of risk associated with BRT can limit small business investment as businesses await the new commercial condition post-BRT operation. Our analysis finds that the district already serves as a pedestrian and local-serving node, so we anticipate the impacts of the BRT system to be muted, if not positive.
- ***Inconsistent Street Conditions and Inactive Public Spaces:*** While the BID is well-positioned to serve as a truly pedestrian friendly commercial district, existing physical conditions do not always encourage an active and safe street experience. Street conditions around the station area are inconsistent and more can be done to enhance the district's public spaces.

FRUITVALE RESIDENTS

DEMOGRAPHICS OVERVIEW

The shopper intercept survey (presented in a subsequent section) confirms that the focus area is primarily a neighborhood-serving commercial corridor where the vast majority of shoppers live nearby. Demographic analysis prepared for this study reveals that approximately 50,000 residents live within the trade area representing 13% percent of the City of Oakland's population. At 25 residents per square mile, population density within the trade area is double the citywide average.

The BID's primary trade area includes 50,000 residents, 15,000 households, and a high concentration of young families.

Of the trade area's 15,000 households, nearly half are family households with children, a share significantly higher than the city overall. The trade area's median age is also below the city's median, and nearly 60% of residents are under the age of 35. Families with young children are an important market segment for retailers since families generally spend more on retail goods than childless households within the same income bracket. Needless to say, ensuring a family-friendly shopping environment will be key to the district's continued success.

The population of the primary trade area has stayed relatively flat since 2000. Moderate growth on par with the city overall is projected through 2018, according to a private vendor's demographic forecast. This forecast does not take into account planned and proposed development within the trade area, such as the Fruitvale Transit Village II, which should add another 700 residents over the next five to ten years.

Table 2: Trade Area Demographics Overview

	Fruitvale (1 mile)	City of Oakland
Population	49,917	398,260
Population Density (per sq. mi)	25	11
Households	14,505	156,916
Family Households With Children	6,382	45,506
% of Households	44%	29%
Median Age	31	37
% of Residents Under 35	57%	47%
Historical Annual Growth (2000 – 2013)		
Households	0.2%	0.3%
Population	-0.5%	0.0%
Projected Annual Growth (2014 - 2018)		
Households	1.0%	1.0%
Population	0.9%	0.9%

Source: AECOM 2014, ESRI Business Analyst 2013.

EDUCATION, EMPLOYMENT AND INCOME

Trade area residents have lower levels of education, lower rates of workforce participation and lower incomes than the city overall (Table 3 and Figure 7). Local non-profits in the area are working to address these challenges by expanding educational and workforce opportunities for local residents in partnership with the City of Oakland and private foundations. (See the Appendix for an assessment of community needs compared to the Bay Area.)

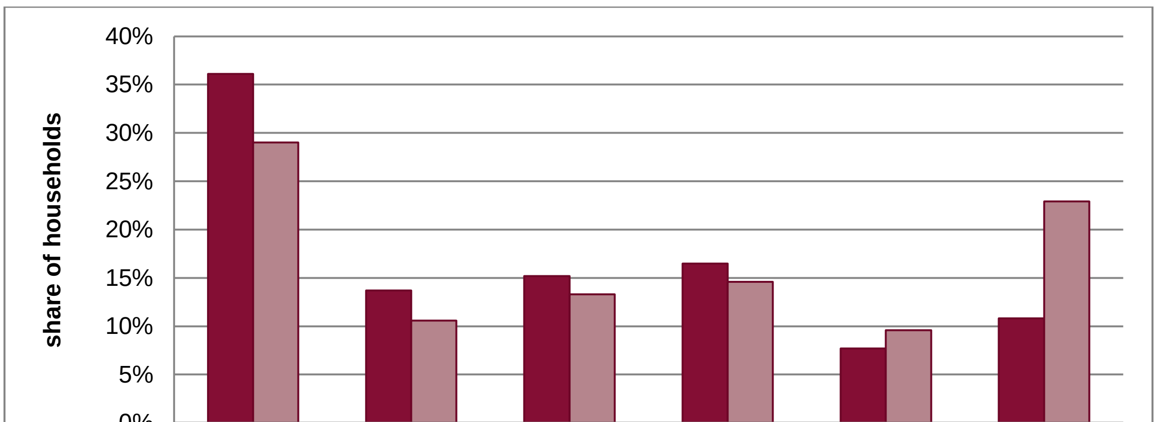
Twenty-seven percent of households within the trade area are defined by the U.S. Census as linguistically isolated households, in which no adult is proficient in English. In the trade area, the vast majority of linguistically isolated household are Spanish-speakers. While these households may face greater barriers to increasing their earnings, they may also carry greater loyalty towards a Latino-oriented shopping district with storeowners who speak their primary language.

Table 3: Trade Area Education, Employment, and Income

	Fruitvale (1 mile)	Oakland
Adults (25+) with a H.S. degree or less	66%	39%
Workforce Participation	56%	61%
Linguistically Isolated Households	27%	12%
% of linguistically isolated households who speak Spanish	73%	43%
Income		
Median Household Income	$35,100	$45,800
% of households earning above $50,000	36%	47%
Per Capita Income	$14,700	$29,400
Forecast Income Growth 2013-2018	1.6%	2.3%

Source: AECOM 2014, ESRI Business Analyst 2013.

Figure 7: Income Distribution in Trade Area



	< $25,000	$25,000 - $34,999	$35,000 - $49,999	$50,000 - $74,999	$75,000 - $99,999	$100,000 +
Fruitvale	36%	14%	15%	17%	8%	11%
Oakland	29%	11%	13%	15%	10%	23%

Source: AECOM 2014, ESRI Business Analyst 2013.

Despite lower per capita incomes and a smaller share of upper- and middle-income households, retail purchasing power is more concentrated in the trade area than the city overall.

Trade area residents' $305 million in aggregate, reported disposable income translates to $102 million in purchasing power per square mile compared to $80 million per square mile in Oakland overall. There are as many as households earning more than $50,000 per square mile in the densely populated trade area than in the high-income Montclair neighborhood. These estimates of residential spending power do not consider the effects of inflow customers or the informal economy, discussed below.

Table 4: Trade Area Income Concentration

	Fruitvale (1 mile)	Oakland	Montclair
Per Capita Income	$14,700	$29,400	$70,000
Aggregate Disposable Income	$305 million	$4.3 billion	$159 million
Disposable Income Per Square Mile	$102 million	$80 million	$130 million
Households Earning Above $50k / sq. mi.	1,688	1,344	1,645

Source: AECOM 2014, ESRI Business Analyst 2013.

RESIDENTIAL REAL ESTATE CONDITIONS

The vast majority of housing units in the trade area are renter-occupied. The trade area generally offers rental housing options that are more affordable than the city overall, as evidenced by current asking rents. However, with vacancy rates across the Bay Area near historic lows, it is likely that rents in the trade area will continue to increase. Given the small share of income-restricted housing units in the area, the Unity Council and other stakeholders will want to consider strategies to prevent resident displacement.

Residential vacancy rates have fallen to 2% in the trade area and home prices have increased 13% in the last six months.

At the same time, the tightening Bay Area real estate market presents an opportunity to add to the spending power of the trade area by attracting new residents with higher disposable incomes either through additional residential development or increased home ownership. Home sale prices in the trade area are far from their 2006 peak and remain affordable compared to the overall city median ($480,000) and the median of homes sold north of the trade area in the Dimond District ($680,000), yet less than 20% of households living in the trade area earn enough (approximately $70,000) to qualify to purchase a typical home in the trade area. To the extent homes on the market are sold to new owners from outside the area intending to live in the Fruitvale, the trade area could see a boost in its overall purchasing power.

Table 5: Trade Area Housing Conditions

	Fruitvale (1 mi)	Oakland
Total Housing Units	15,729	170,199
Occupied Units	14,510	156,916
% Renter Occupied	72%	61%
% Owner Occupied	28%	39%
Rental Market Conditions		
Current Asking Rent, 1 bedroom	$1,000	$1,400
Vacancy Rate	2%	3%
Rent-Restricted Units	580	5,900
For Sale Market Conditions		
Single Family Homes	7,100	75,800
Owner Occupied %	60%	72%
Median Sale Price, 2014	$330,000	$478,000
Median Sale Price, 2006	$466,000	$494,000
Change Since 2006	-29%	-3%
Change in Last Six Months	13%	15%

Source: AECOM 2014, Costar, Zillow.com.

RETAIL SPENDING POTENTIAL

This study estimates the purchasing power of residents and other visitors in order to identify opportunities for increasing business activity in the district, through the recapture of retail spending by local customers who shop for certain goods outside the district.

FACTORS CONTRIBUTING TOTAL RETAIL DEMAND WITHIN THE TRADE AREA

Demand for retail, food and beverage items in the trade area is primarily determined by the incomes of residents in the trade area. Resident spending includes the reported incomes of area residents, as captured by the U.S. Census and reviewed earlier in this analysis, and informal sources of income not necessarily reported to the Internal Revenue Service, such as day labor wages and tips. In order to paint a complete picture of retail spending power, this section of the analysis considers both informal and formal sources of resident income.

While an intercept survey determined that residents make up the majority of shoppers in the district, inflow customers, including workers and transit riders, represent another potential source of demand for goods within the trade area. This retail spending analysis considers potential retail demand within the trade area of inflow customers as well as residents.

SPENDING ANALYSIS

Resident Spending

As mentioned above, estimated baseline discretionary income available for retail and food and beverage spending by trade area residents is $305 million. This estimate uses consumer expenditure data to calculate the share of total reported resident income that goes to retail and food purchases. Reported income is based on U.S. Census data, which does not generally reflect informal sources of income.

The informal economy may boost purchasing power in the trade area by as much as 18%.

A 2005 study by Social Compact Inc. estimated that the informal economy accounts for 18% of total income earned by residents in the Fruitvale District. Assuming that the informal economy accounts for a similar percentage of resident earnings today, the informal economy would add up to $68 million to local purchasing power, bringing the total to $373 million.

Inflow Customer Spending

Every weekday, the trade area draws 8,300 inbound workers primarily in the medical, education and retail sectors and 8,000 BART riders (who also primarily live outside the station area and include a portion of inbound workers). A study by the International Council of Shopping Centers finds that urban office workers spend between $75 and $168 per week near their work, depending on their incomes and the availability of retail offerings. BART reports that riders spend approximately $400 million at San Francisco retailers, which equates to approximately $20 per weekday rider per week. To account for differences in the retail offering and inbound customer profile of the Fruitvale compared to a downtown setting, these benchmark spending factors were adjusted downward to reflect a reasonable capture of inbound worker spending. Assuming weekly per capita office worker demand in the trade area of $40 per person and per capita transit rider demand of $2 per person, retail demand by inbound customers adds another $17 million annually to the trade area’s purchasing power (Table 6).

Table 6: Inflow Customer Spending Potential

Inflow	Numbers	Weekly spending	Trade Area Adjustment	Adjusted weekly spending	Annual spending
Workers	8,300	$75 / person	50%	$40 / person	$1 million
BART Riders	8,000	$19 / person	10%	$2 / person	$16 million
Total					$17 million

Sources: AECOM 2014, BART ridership data 2013, LEHD On The Map 2011.

TOTAL TRADE AREA SPENDING POTENTIAL

Combining estimates of resident earnings in the formal economy with estimates of informal earnings and potential spending by inflow customers, this study finds that total retail demand within the trade area may be as high as $390 million or 28% greater than if only formal earnings by residents were considered.

Total retail demand in the trade area is estimated to be between $350 million to $390 million.

Because of the great uncertainty involved estimating informal earnings and inflow customer spending potential, a more conservative scenario was developed by reducing all sources of retail spending but formal resident income by half, arriving at $348 million in retail demand for the trade area, or 14% greater than if only formal resident earnings were considered. This conservative estimate of total purchasing power in the trade area is used to estimate unmet retail demand in the next section of this report.

Table 7: Total Trade Area Retail Demand

	Base Scenario	Conservative Scenario (1)
Residents	$305 million	$305 million
Informal Economy	$68 million	$34 million
Workers and BART Riders	$17 million	$9 million
Total	$390 million	$348 million
% increase over resident-only estimate	28%	14%

Source: AECOM 2014
1 Conservative Scenario reduces capture of inflow and informal spending by 50%.

RETAIL SPENDING GAP

The retail spending gap represents the difference between buying power within a trade area and retail supply or sales within a trade area. When buying power exceeds demand, this presents an opportunity for new businesses to locate in the area or for existing businesses to reposition their offering to recapture spending that currently goes elsewhere.

More than $200 million in local retail demand is spent outside the trade area every year.

Of $348 million in Fruitvale trade area retail demand, only $42 million, or a little over 10%, is spent within the BID focus area. Another $101 million (29%) of local retail demand is being spent elsewhere within the 1 mile trade area, which includes Fruitvale Station Mall, Home Depot, and retailers on High Street. (This total excludes a large retail sales surplus attributable to building materials stores.) The remaining $204 million in local retail demand is spent outside the trade area altogether.

Table 8: Retail Spending Gap

	Spending ($)	Share of spending (%)
Total Retail Demand – Trade Area	$348 million	100%
Retail Sales Within Focus Area	$42 million	12%
Retail Sales Elsewhere in the Trade Area (1)	$101 million	29%
Retail Sales Outside the Focus/Trade Area	$204 million	59%

Source: AECOM 2014, ESRI Business Analyst 2013, City of Oakland retail sales data 2013. Retail sales tax data from City of Oakland was adjusted to reflected non-taxable retail sales in grocery and general merchandise categories.
Figures may not add due to rounding.
1 Retail sales within trade area excludes surplus building materials sales.

Trade area demand exceeds Business Improvement District and trade area sales across all major retail categories, with grocery stores, general merchandise, restaurants, drug stores, and clothing stores exhibiting the largest retail gaps. In certain categories, the retail gap is reduced if local demand is compared to sales of all retail establishments within the 1 mile trade area instead of focusing exclusively on the Business Improvement District. For example, most of the surplus demand for groceries in the focus area is recaptured by grocery stores within the larger trade area such that trade area demand for groceries ultimately exceeds sales by only $12 million. In other categories, such as clothing, little of the unmet retail demand from the focus area is recaptured within the larger trade area. Table 9 ranks retail categories by the amount by which trade area demand exceeds retail sales within the BID (“BID Retail Gap”) and the trade area as a whole (“Adjusted Retail Gap”).

Table 9: Spending Gap by Retail Category

NAICS	Description	Local Retail Demand	BID Retail Gap	Adjusted Retail Gap (1)
4451	Food Stores	$57,965,000	$53,926,000	$12,249,000
452	General Merchandise Stores	$49,546,000	$49,538,000	$45,997,000
722	Food Services and Drinking Places	$37,190,000	$27,975,000	$14,527,000
446	Health and Personal Care Stores	$25,493,000	$23,220,000	$23,220,000
448	Clothing and Clothing Accessories Stores	$22,361,000	$17,948,000	$17,603,000
444	Bldg. Materials and Garden Equip. and Supplies (2)	$8,521,000	$8,521,000	$0
451	Sporting Goods, Hobby, Book & Music Stores	$8,286,000	$8,248,000	$8,140,000
453	Miscellaneous Store Retailers	$9,484,000	$6,359,000	$2,459,000
442	Furniture and Home Furnishings Stores	$7,196,000	$6,076,000	$5,476,000
443	Electronics and Appliance Stores	$8,196,000	$5,787,000	$4,374,000
4453	Liquor Stores	$3,365,000	$2,473,000	$957,000
	Subtotal: Non-auto, store-based retailers	$237,603,000	$210,071,000	$135,002,000
	Auto, Gas Stations, Non-store Retailers	$110,396,000	$98,063,000	$69,449,000
	Total	$348,000,000	$306,050,000	$204,451,000

Source: AECOM 2014, ESRI Business Analyst 2013, City of Oakland retail sales data 2013.
1 Adjusted Retail Gap reflects only spending that leaves the trade area entirely. Spending at other commercial nodes in the trade area is not considered as part of the retail gap.
2 Building materials surplus attributable to sales to regional customers excluded to better reflects total potential for recapturing demand by local customers.

Grocery stores, drug stores, and clothing stores present the strongest opportunities for catalyst projects within the BID.

Based on customer demand and retailer site requirements, the BID focus area has the greatest potential to attract a major new grocery store, drug store, or clothing and accessories store. The focus area could support an additional grocery store of up to 20,000 square feet, a drug store of up to 40,000 square feet, and one or more clothing stores of up to 50,000 square feet. These dimensions assume the focus area only recaptures retail spending that leaves the trade area altogether. In other words, new retailers to the focus area would not need to compete for customers with the larger trade area (i.e., Fruitvale Station and High Street) to meet sales targets.

Table 10: Maximum New Supportable Square Feet in Trade Area by Retail Category

			Max. Supportable Square Feet		
Category (NAICS Code)	Description	Sales PSF	Adjusted to trade area (1)	Unadjusted (2)	Development potential
4451	Food Stores	$550	22,000	98,000	Yes
452	General Merchandise Stores	$350	131,000	142,000	
722	Food Services and Drinking Places	$350	42,000	80,000	
446	Health and Personal Care Stores	$550	42,000	42,000	Yes
448	Clothing and Clothing Accessories Stores	$350	50,000	51,000	Yes
444	Bldg. Materials and Garden Equip.	$350	-	24,000	
451	Sporting, Hobby, Book, and Music Stores	$350	23,000	24,000	
453	Miscellaneous Store Retailers	$350	7,000	18,000	
442	Furniture and Home Furnishings Stores	$350	16,000	17,000	
443	Electronics/ Appliance Stores	$350	12,000	17,000	
4453	Liquor Stores	$350	3,000	7,000	
	Non-auto, store-based retailers		349,000	520,000	

Source: AECOM 2014, ESRI Business Analyst 2013, City of Oakland retail sales data 2013.
The most viable commercial development opportunities are highlighted in blue.
1 Assumes new development in BID only recaptures spending that occurs entirely outside trade area.
2 Assumes new development in BID recaptures spending from elsewhere in trade area. Unadjusted square footages are shown for illustrative purposes only and should not be used for planning purposes.

The retail gaps for grocery, drug, and clothing stores are each sufficient demand to add a major retailer to the BID without encroaching on existing retailers in the trade area. While local developers and brokers consulted for this study agreed that a major retailer such as Ross, DD's Discounts or CVS could help catalyze further commercial development in the BID, they questioned whether viable sites are available to support retailers' site requirements. Ross Stores, in particular, seeks sites with ample and free surface parking. The project team's analysis of opportunity sites (see Context section) identified only one vacant parcel above 20,000 square feet designated for commercial use in the study area. Beyond this former Redevelopment Authority site, multiple parcels would have to be assembled, rezoned, and/or redeveloped to fill the retail gaps identified in Table 11 with a major retail anchor.

Table 11: Comparison of Local Retail Gap to Retailer Site Requirements

Category (NAICS Code)	Description	BID supportable sq. ft.	Example Retailers (Average sq. ft.)	Additional Site Requirements
4451	Food Stores	22,000	Grocery Outlet (20,000 sq. ft.)	Significant building signage Small parking lot
446	Health and Personal Care Stores	42,000	CVS (15,000 sq. ft.)	1.5 – 2.0 acre site Parking for 75- 80 High visibility, high traffic
448	Clothing and Clothing Accessories Stores	50,000	DD's Discounts (23,000 sq. ft.) Ross Stores (30,000 sq. ft.)	Large surface parking lot

Source: AECOM 2014 and company 10-k filings.

Other retail categories with a significant local retail spending gap are either not suitable for a neighborhood-oriented retail corridor (general merchandise stores), are subject to intense online competition (hobby and music stores), or are better filled first by the expansion and repositioning of existing local businesses (restaurants).

Note that across retail categories, it will likely become increasingly difficult to recapture all local demand spent outside the trade area due to the increasing popularity of internet retail. Store-based retail spending for many comparison shopping goods will continue to experience declines in market share unless the retail experience is enhanced. The market share of Amazon.com is growing considerably faster than discount retailers like Wal-Mart.

As another option, rather than increasing retail floor area, the BID could capture more retail spending simply by improving the sales performance of existing stores. Considering the overall performance of existing retail within the BID, there remains ample room for increased activity as AECOM normally assumes sales per square foot of $350 - $550 per year compared to average reported sales per square foot of $66 per year. In other words, if the existing retail areas yield typical retail performance levels, the corridor could accommodate the estimate retail demand within its existing inventory. However, it should be noted that the physical condition of the existing retail inventory may be –in part- a limiting factor to its overall performance.

PEDESTRIAN INTERCEPT SURVEY FEEDBACK

CONTEXT AND METHODOLOGY

The purpose of the pedestrian survey was to gather a wide variety of impressions and opinions about the Fruitvale business district to understand how to increase commercial activity in the BID by improving the experience of shoppers and other visitors.

The pedestrian survey was conducted by the Unity Council on an intermittent basis during the month of June 2014. The surveyors approached persons walking the following sidewalks within the focus area:

- The 3300 to 3900 blocks of International Boulevard
- Foothill Boulevard between Fruitvale and East 35th Avenue
- Fruitvale Avenue between East 18th and Foothill Boulevard

Surveyors collected a total of 110 pedestrian surveys at various times of the day, days of the week and locations within the district. Roughly three quarters of surveys were collected during the weekday. Survey collection was split fairly evenly between the morning and afternoon; no surveys were collected after 5pm. The demographics of respondents covered a broad distribution of ages, although the working-age population was underrepresented compared to demographic estimates of the district provided by ESRI Business Analyst. Two-thirds of surveys were collected along International Boulevard, while the remaining respondents were stopped near the intersection of Fruitvale Avenue and Foothill Boulevard.

KEY FINDINGS & ANALYSIS

Neighborhood-Serving Shopping District

The data suggest the district is primarily neighborhood-serving, with eighty percent of surveyed shoppers reporting that they live or work nearby. Roughly two-thirds of shoppers who live nearby say they do the majority of their shopping in the trade area, suggesting that existing customers are loyal to the focus area. When shoppers were prompted to name the types of stores they frequent on a regular basis outside the district, general merchandise (33%), clothing stores (27%) and grocery stores (21%) were the most common responses, echoing the retail gap analysis (above).

District Activities

When asked what they normally do while in the district, respondents most frequently cited shopping (67%) and visiting restaurants (56%), with food markets and clothing stores mentioned most frequently. Community services such as a health clinic or senior center are also an important draw to the district (cited by 21% of respondents).

Two-thirds of shoppers have been to a special event in the Fruitvale.

A remarkable two-thirds of respondents said they had been to a special event in the district, such as Día de Los Muertos or Cinco de Mayo. The majority say they attended seeking a cultural experience. Special merchandise or unique foods were less commonly cited reasons for attendance.

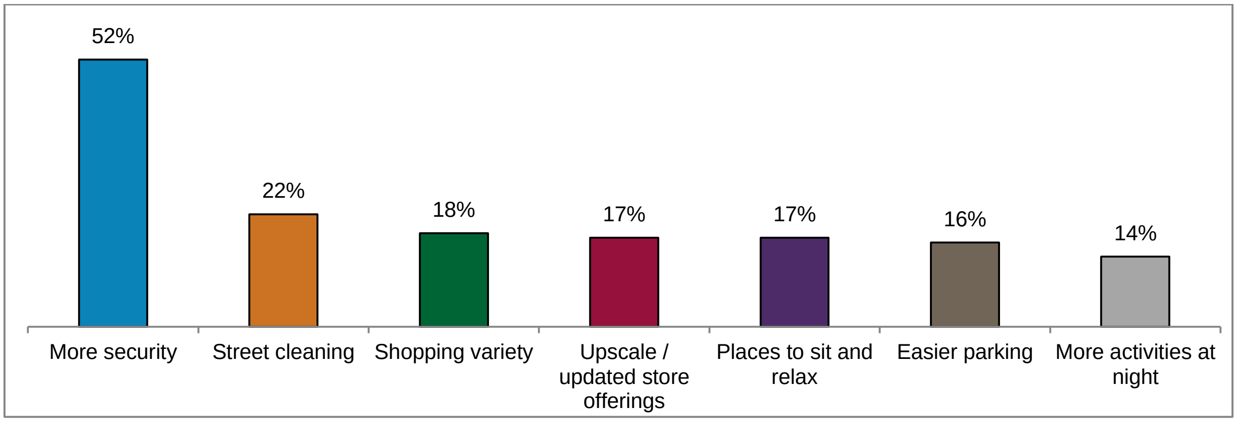
Resident Perceptions of Focus Area

- **Transit Access is a Competitive Advantage, Parking a Weakness:** Most respondents (52%) said access to the district is better than other shopping districts they are familiar with, primarily because of the availability of transit options. Of the small share of respondents who said access to the Fruitvale was worse (16%), two-thirds pointed to the lack of parking as the reason. Contrary to what was reported by small businesses, most respondents say they walk or take public transportation to the district (although this is possibly the result of selection bias inherent in a sidewalk intercept survey).
- **Safety Issues Compared to Other Commercial Districts:** Thirty-nine percent of respondents said safety in the district was worse than comparable shopping districts, compared to 33% who said safety was better, and 20% who said safety was about the same. In matters of safety, lack of security

presence was cited as the district's primary weakness, while the level of street activity was considered its primary strength.

- **Room for Improvement in Shopping Options and Shopping Quality**: When asked to compare shopping options in the district with other commercial areas in the East Bay, 35% of respondents said shopping options were worse than other districts, 29% said they were the same, and 29% said they were better. Among those who said shopping options were worse, the lack of variety (54%) and low quality goods (49%) are the primary complaints. The vast majority who said shopping options were better cited affordability (69%) as one of the reasons they consider Fruitvale more competitive.
- **Additional Security Is the Most Demanded Improvement to the District:** When asked to select three improvements that would make their experience in the district more enjoyable, more than half of respondents (52%) included greater security among their choices. Other improvements referenced most often by respondents were street cleaning (22%), greater shopping variety (18%), updated or upscale store offerings (17%), and places to sit and relax (17%).

Table 12: Top Priorities for District Improvements Reported by Shoppers



Source: AECOM & Unity Council 2014 Intercept Survey.

BUSINESS CONDITIONS

BUSINESS MIX

The Fruitvale Business Improvement District counts 365 businesses and non-profit organizations within the trade area. Of these, 45 are health, education and human services organizations. Another 120 establishments specialize in personal and business services such as beauty salons and financial services. Three major financial institutions are included in this category (Chase, Citibank, and Bank of America) holding over $135 million in customer deposits, according to the FDIC. The remaining 200 establishments (more than half of all establishments) are retail storefronts and restaurants.

Retail storefronts and restaurants in the focus area are primarily small businesses; more than half of establishments have less than five employees, and more than three quarters have less than 10 employees (compared to less than two thirds in the county overall). Restaurants, miscellaneous retailers, and clothing and accessories stores represent the majority of retailers in the focus area. Of these, restaurants are more concentrated than the city overall, positioning the district as a gastronomic destination. The concentration of food stores in the district, meanwhile, is most likely a reflection of a greater offer of food markets, as opposed to full-service supermarkets.

Table 13: Business Mix in the BID and Alameda County, Number and Share of Establishments

		Fruitvale BID		City of Oakland		Ratio
		Number	Share	Number	Share	Fruitvale / City
441	Motor Vehicle and Parts Dealers	19	10%	705	7%	1.36
442	Furniture / Home Furnishings	5	3%	213	2%	1.35
443	Electronics and Appliance Stores	14	7%	332	3%	2.02
444	Building Materials/ Garden Equip.	0	0%	179	2%	-
445	Food and Beverage Stores	26	13%	645	7%	1.93
446	Health and Personal Care Stores	1	1%	77	1%	1.24
447	Gasoline Stations	4	2%	128	1%	1.49
448	Clothing / Accessories Stores	33	17%	1,502	16%	1.08
451	Sporting Goods, Hobby, Musical Instrument, and Book Stores	3	2%	155	2%	1.23
452	General Merchandise Stores	5	3%	284	3%	1.01
453	Miscellaneous Store Retailers	37	19%	2,924	31%	0.62
454	Non-store Retailers	9	5%	855	9%	0.56
722	Food and Drinking Places	43	22%	1,560	16%	1.35
	Total	**199**	**100%**	**9,559**	**100%**	**1.0**
	*With fewer than five employees**		56%		42%	
	*With 5 to 10 employees**		24%		22%	

Source: AECOM 2011, City of Oakland retail sales data,.
* Firm size based on U.S. Census County Business Patterns (CBP) 2012 – for 94601 zip code and Alameda County.

Restaurants have been especially important to the BID in attracting new customers seeking a taste of Fruitvale's rich culinary history. While composing approximately a fifth of retail establishments and contributing an equivalent share of local retail sales, eating and drinking places are responsible for generating two-thirds of all Yelp reviews and three-quarters of retail and food and beverage reviews (excluding personal services). The vast majority of restaurants in the district, particularly those drawing inflow customers, are Mexican and Central American food establishments, including mobile food vendors, which themselves have generated almost a fifth of Yelp reviews of the focus area. Stakeholders interviewed for this study generally agree with the assessment that food establishments are the anchors of the commercial district.

Restaurants and other food establishments represent a fifth of local retailers but receive three-quarters of trade area Yelp reviews.

Table 14: Food Establishments' Share of All Retail Sales, Establishments, and Yelp Reviews

		Share of retailers	Share of retail sales	% of retail Yelp reviews	% of all Yelp reviews (1)
722	Food and Drinking Places	22%	22%	77%	67%
	Mobile food vendors	n/a	n/a	20%	17%

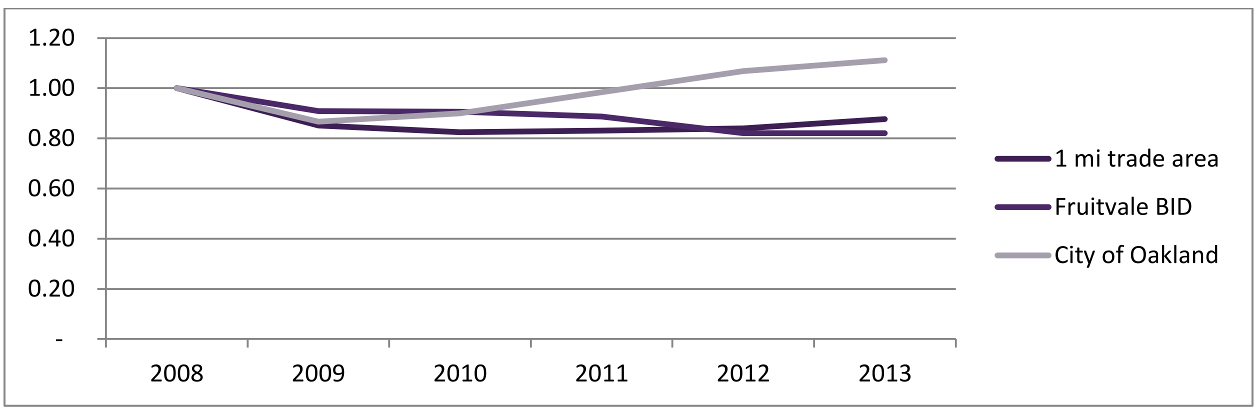
Source: AECOM 2014. City of Oakland retail sales data, Unity Council business inventory, Yelp.com.
1 Share of all Yelp reviews includes personal services and non-store retailers.

RETAIL SALES TRENDS

Retail sales within the BID contribute less than 20% of total trade area sales, yet the BID represents nearly 40% of occupied retail space within the trade area, suggesting significant underperformance in sales per square foot versus the trade area overall (Table 15).

During the financial crisis, the BID, the trade area and the City of Oakland suffered a decline in retail sales. The City of Oakland and trade area recovered more quickly, posting their first years of positive growth in 2010 and 2011, respectively, compared to the BID, which had its first year of net positive sales growth in 2013, with a very slight increase over 2012 sales (in real terms). Sales by 2013 in the BID remained 18% below 2008 sales in real terms, versus 12% in the trade area overall. By comparison, sales in the City of Oakland exceeded 2008 sales by 11% (Figure 8). Within the BID, food and drinking places and electronics stores are the only retail categories to have seen their sales grow from what they were in 2008.

Figure 8: Retail Sales Index in the BID, the Trade Area and the City of Oakland (base = 2008)



Source: AECOM 2014, City of Oakland retail sales tax data, adjusted for nontaxable sales. 1 mile trade area includes the BID. Sales figures adjusted for inflation.

Table 15: Annual Retail Sales – 2008 and 2013 – By Area ($ thousands)

	2008	2013
Fruitvale BID	$51,101	$41,950
1 mi trade area	$254,055	$222,668
City of Oakland	$2,366,467	$2,630,960
BID share of trade area	20%	19%
BID share of City	11%	8%

Source: AECOM 2014, City of Oakland retail sales tax data, adjusted for nontaxable sales. 1 mile trade area includes the BID. Sales figures adjusted for inflation.

COMMERCIAL REAL ESTATE TRENDS

While retail sales in the BID have remained flat, brokers in the BID report growth in retail asking rates and sales prices. Rents in the BID start at $1.30 per square foot (NNN) but can reach $2.00 to $2.50 per square foot depending on the site, location, and tenant; recent sales activity also implies rents within this range as well, based on typical cap rates. Some tenants interviewed for this study viewed overaggressive asking rents as one of the causes of the district's higher vacancy rate (now double the city's vacancy rate, with approximately 90,000 square feet of available commercial space). Average asking rents in the commercial district represent a greater share of typical retail sales per square foot than the city overall. In terms of total inventory, there is actually more retail space per capita in the Fruitvale trade area than Oakland overall, suggesting that increasing sales at existing establishments will be as important to boosting business activity as additions to the retail inventory.

Table 16: Commercial Real Estate Conditions in the BID and Trade Area

	Fruitvale BID	Fruitvale (1 mile)	City of Oakland
Inventory	1.0 million	2.5 million	19.0 million
Est. sales per square foot (1)	$66	$130	$210
Availability	9%	5%	4%
Average Asking Rent (NNN)	$1.30 +	$1.30 +	$1.70 +
Square Feet Per Capita	-	49	46
Asking Rent As Share of Average Sales	24% +	12% +	10% +

Source: AECOM 2014.
1 Assumes 30% of retail space occupied by personal services.

BUSINESS AND COMMUNITY STAKEHOLDER FEEDBACK

CONTEXT

During the month of June 2014, more than 20 Fruitvale stakeholders were interviewed to understand key industry and organizational perspectives affecting commercial activity within the focus area. In general, the interviews elicited information about the role of the BID in the Fruitvale District's economic development. Opinions were also sought regarding business conditions, current community and government efforts, and conditions on the street. Outreach was conducted to businesses, non-profits, property owners, and public officials suggested by the Unity Council or identified by AECOM. The Appendix includes a list of interview participants.

KEY THEMES

- **Vibrancy of Existing Businesses Cited as a Draw by Recent Arrivals:** The Fruitvale trade area has recently welcomed new establishments, such as Ale Industries Brewery and Half Orange restaurant, which are drawing a more economically diverse customer base to the district. These establishments say the Fruitvale's culinary reputation and history as a vibrant, multicultural commercial corridor attracted them to the district. The BID has an opportunity to learn from these success cases in its attempts to attract additional retailers.
- **Rising Commercial Rents Outpacing Merchants' Sales:** Merchants on the whole report flat or even falling sales since the economic crisis, confirming the economic analysis above. Stakeholders are concerned that increases in commercial rents will lead to displacement of small businesses, many of which have been in the district for decades.
- **The Threat of Crime, Real and Perceived, Remains an Overwhelming Concern:** Merchant stakeholders say fear of crime has deterred their customers from visiting or extending their stays in the district. Crime was also cited as a major concern by social and educational organizations in the area. Virtually all stakeholders agreed that more street patrols—including walking and bike officers—would help deter crime. Stakeholders have witnessed a palpable increase in criminal activity since the Oakland Police Department (OPD) began to reduce staffing from its 2008 peak. Other suggestions to address crime include revamping the BID's Safety & Neighborhood Ambassadors Program, possibly by training existing maintenance crews to perform some security duties. While not a replacement for the police, most merchants agreed that the ambassador program helped make shoppers feel safer.
- **Need for Transparent and Streamlined Permitting for Food and Beverage Establishments:** Merchants in the district, particularly food establishments, say they would benefit from fewer barriers to business licensing and sound professional advice (in Spanish and English) in obtaining necessary permits for business expansion. Others suggested barriers to alcohol licensing should be reconsidered to help businesses appeal to young professionals and BART riders.
- **Need for Additional Code Enforcement in the Commercial District:** As with crime, public order and code violations impact the competitive environment of the shopping district. Stakeholders would like to see greater investigation and enforcement of code violations like illegal dumping that impact the public realm, as well as enforcement of street vending laws, to ensure vendors are properly registered, operating in zones designated for vending, and selling goods that do not directly compete with storefront merchants. Merchants indicated a significant increase in vendors during major events which are important retail days that are funded by the BID yet result in fewer sales due to increased informal competition.
- **Need for Greater Focus on Local Business Promotion in District Events:** Stakeholders take pride in annual events such as the Día de los Muertos Festival, but they say more attention needs to be paid to incorporating local business promotion into district events. Echoing the economic analysis, stakeholders agree that restaurants and other food establishments are the primary draw to the neighborhood and would like to see the BID invest greater resources in marketing anchor restaurants as regional destinations and potentially identifying funds for façade improvements to increase their appeal.

- **Concerns with Lack of Parking and Impacts of BRT:** Merchant stakeholders are concerned with the loss of parking that will result from the construction of the BRT line on International Boulevard. As noted in the Context section, the BRT will result in the loss or relocation of 150 parking spaces within the BID. Merchants would like to see replacement parking that is convenient, safe and accessible particularly to customers visiting from outside the district. An effective parking strategy goes hand in hand with an effective public safety strategy for the district, as stakeholders note that parking is usually available at a greater distance from retail storefronts, but customers do not feel comfortable leaving their cars far from their destination. Increasing direction signs to available parking lots can help to mitigate the loss of parking. Also, changing parking pricing, especially when parking revenues are redirected back to the BID, can help to encourage parking turnover rates and therefore, parking availability.

CRIME AND STREET CONDITIONS

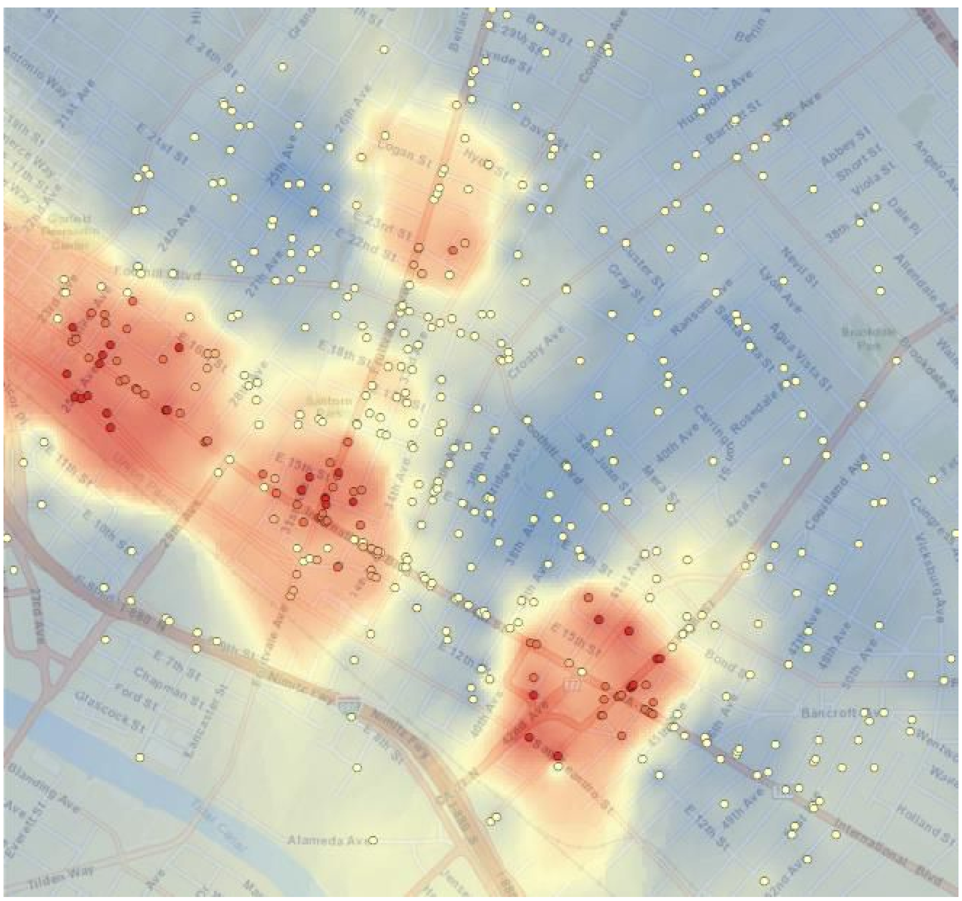
CRIME

BID shoppers and merchant stakeholders reported public safety as their top concern. According to OPD data, on a per capita basis, robberies and vehicle thefts are significantly overrepresented in the district compared to the city overall. Rates of both types of crime have increased since 2008, when OPD reached its staffing peak of more than 800 officers. Stakeholders also expressed concerns about prostitution along International Boulevard, drug dealing around the periphery of the Transit Village, and other quality of life crimes which undermine shoppers' and residents' sense of safety.

Robberies and vehicle thefts are overrepresented in the trade area compared with the city overall and are most concentrated at a few key intersections.

Figure 9 presents a map of robbery hot spots in the vicinity of the BID during the calendar year of 2013. Most robberies near the BID are occurring at the corners of International Boulevard and Fruitvale Avenue and International Boulevard and High Street (just outside the BID boundary). These two intersections represent two of five BRT stations planned in the vicinity of the BID. They are also two of the intersections which feature most of the opportunity sites available for development.

Figure 9: Robbery Hotspots in 2013



Source: AECOM 2014, City of Oakland police department crime data accessed via Open Oakland. Red represents hot spots with the most robberies in a 300 foot radius.

URBAN DESIGN

Fruitvale has a rich cultural heritage and a vibrant community and the public realm provides an opportunity to express its unique character. A more comfortable, legible and inclusive urban environment can improve the experience of shoppers and visitors and have a positive impact in consolidating the image of the BID retail area.

The project team conducted a site assessment of physical conditions in the Fruitvale business district to identify priority streetscape and landscape improvements that could enhance the district's ability to attract and retain a vibrant retail sector. With proximity to dense residential neighborhoods and excellent transit access, the BID is well-primed to be a walkable commercial district.

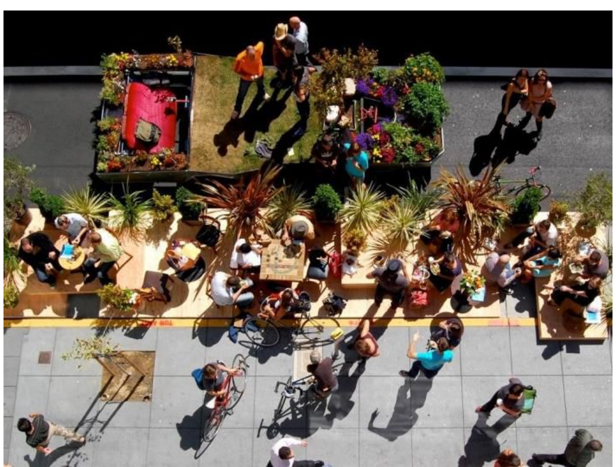
Planned investments by AC Transit as part of the BRT project in pedestrian bulb-outs, paving, and median landscape improvements are an important first step in assisting pedestrian movement along the corridor. As part of this site assessment, the project team identified additional public realm priorities to foster a greater perception of safety and invite residents and visitors alike to spend more time in the district, reviewed below.

Avenida de la Fuente Plaza

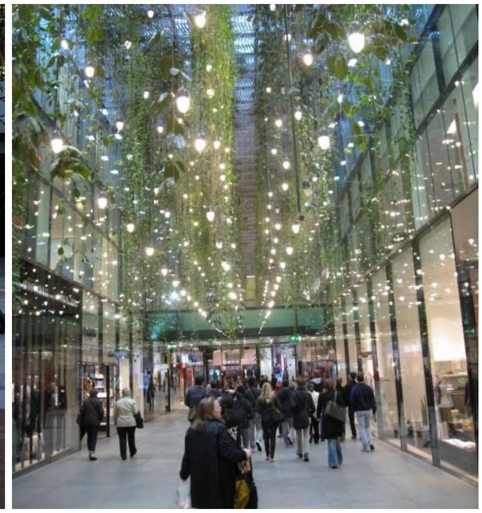
The Avenida de la Fuente plaza, which connects International Boulevard to the BART station, is viewed by residents as an important, but somewhat unsafe gateway to the community. In addition to weekly farmer's markets already offered, the plaza could be used more as a gathering place for families but lacks amenities to encourage greater activity.

This urban space could act as a gateway that welcomes visitors and celebrates the local community. Promoting natural surveillance will be key to the success of this space. Opportunities should be explored to allow shop frontages to open up to this space and maximize the use of plaza amenities by incorporating terrace seating and other amenities that could be managed by the businesses. This intervention could allow businesses and the public realm to work together with benefits for the wider community.

This plaza could incorporate new amenities such as new paving, seating, and an art installation that incorporates lighting. The process could engage local artists and the community and it could be seasonal or programmed with a year-round calendar of events. As new improvements and design proposals come forward, it is important to consider installations and improvements that will keep this space clutter free and flexible in order to maximize opportunities for gatherings, events, special markets as well as the free flow of people circulating towards International Boulevard, BRT stops or the BART station.




Promoting natural surveillance by improving indoor /outdoor dynamics in Avenida de la Fuente Plaza could benefit business as well as the wider community.



Art, lighting and paving inspired in local culture could enhance the identity of Avenida de la Fuente Plaza.

(1) Sculpture/ art installation in San Francisco Yerba Buena Lane
(2) Shopping arcade with lighting and planting installation in Munich, Germany.
(3) Traditional decorations and 'street fiestas' could inspire new proposals for Avenida de la Fuente Plaza.
(4) Street party with lighting decorations and outdoor seating areas managed by businesses.
(5) St. Mall, Denver, paving used as a unifying element.

Circulation loops and spines

Currently, inconsistent street conditions and a lack of active spaces for families to congregate, play, and relax call for improvements to the pedestrian experience along International Boulevard. Street conditions are poor and uninviting on key intersections streets such as 33rd Avenue, High Street and Fruitvale Avenue that could serve to better link public transport nodes and metered parking locations to the commercial corridor.

As a concept, we could think of the walking loops that a visitor may take, whether they arrive by public transport, vehicle or by bicycle (see Fig. 10). Efforts and resources should focus on public realm improvements along these loops to provide legibility to complete journeys. Improvements should include the provision of adequate lighting and signage. Furniture such as bicycle parking and seating should be provided at strategic locations where natural surveillance is possible. Furniture elements should be coordinated to ensure they provide visual consistency.

The urban conditions of the loops vary, with routes transitioning from main avenues to secondary streets. This hierarchy should be respected by the design proposals. Paving is a flexible urban element that can also help define this hierarchy while creating a level of consistency that will help visitors find their way. Robust and ingenious ways of using paving should be considered when planning improvements.

While the “walking loop” concept addresses the area adjacent to the station and its immediate connections to International Boulevard, the larger public realm framework of the BID area can be enhanced by planned improvements to its main urban spines. Currently, International Boulevard from Fruitvale to 35th Avenue has an existing tree framework that gives the area a positive urban character. This character should be extended to promote the creation of a world-class boulevard that extends the length of the corridor. Additional improvements to paving, lighting, signage and furniture, as described above, will help define International Boulevard as a unique destination from 29th to 42nd Avenue.

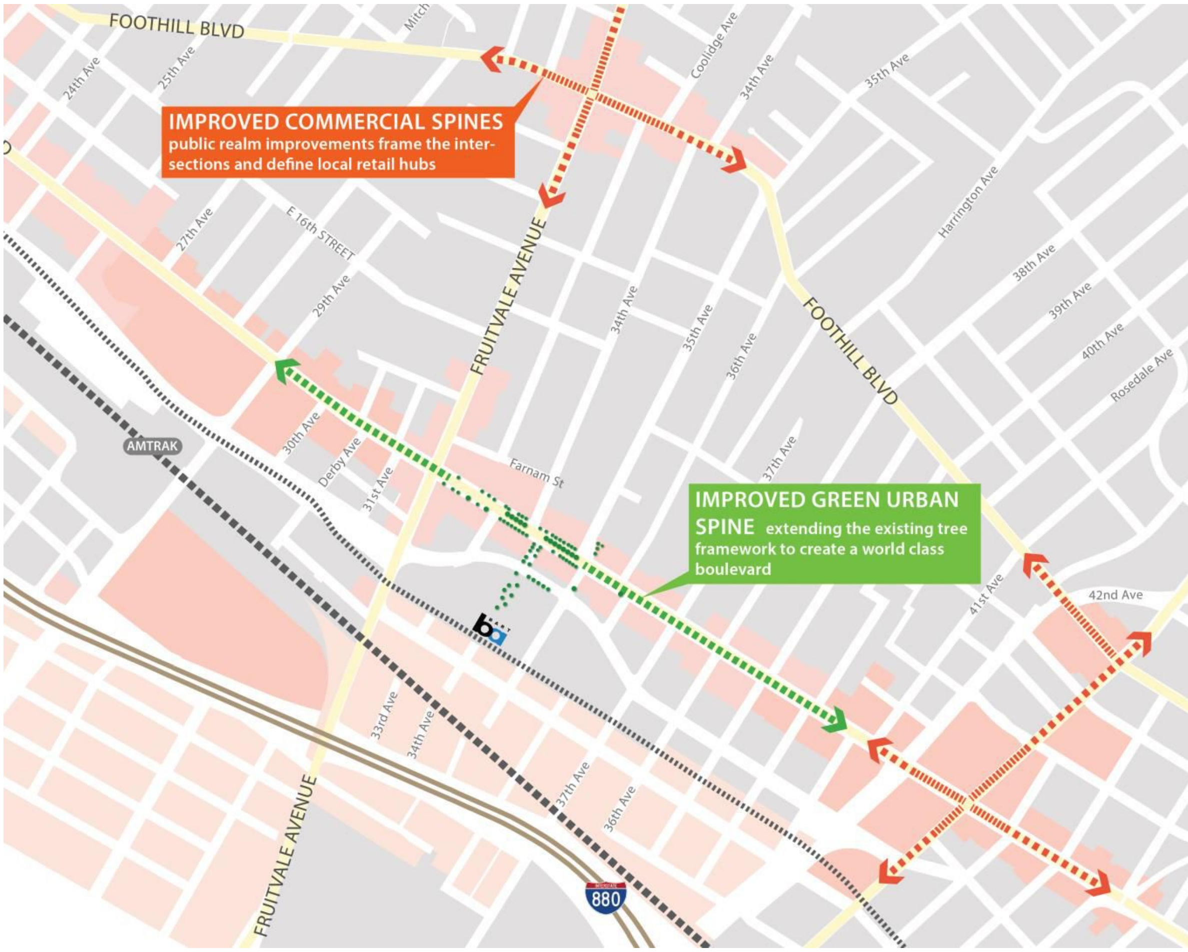
Similarly, this approach could be applied to the intersections of Fruitvale Avenue with Foothill Avenue and High Street with International Boulevard. The public realm improvements at these locations will frame these intersections, strengthening their role as local retail hubs.

Given the extent of the BID area, it is important to use the public realm as a unifying mechanism that enhances the image of the Fruitvale and helps concentrate the investment where it is most needed. Public realm guidelines prepared specifically for the needs of this area could provide a useful tool in the development of these proposals.

Examples of world-class boulevards that integrate transportation improvements as well as a strong tree planting framework, consistent paving and street furniture, resulting in a legible public realm.

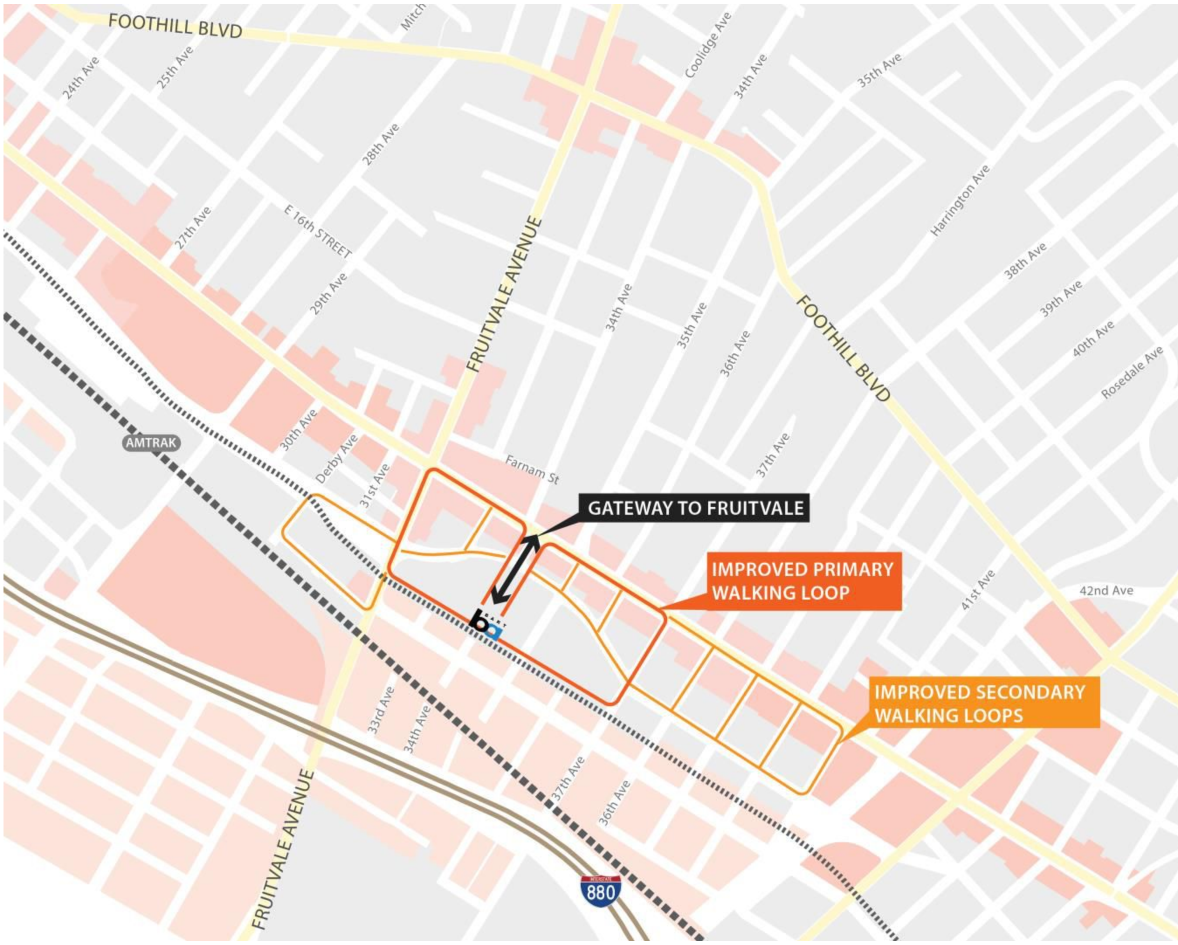
(1) Paseo de Gracia, Barcelona, Spain.
(2) Exhibition Road, London
(3) Tate Modern, London. Integrated wayfinding and lighting to minimize street clutter.
(4) Belfast ‘Streets Ahead’ program promoting legible and pedestrian friendly environments.

Figure 10: Urban Design Priorities- Commercial Spines



Source: AECOM 2014.

Figure 11: Urban Design Priorities - Walking Loops



Source: AECOM 2014.

Future development

As proposals for new development come forward, it will be important to consider opportunities for new open space and family areas. New buildings should promote indoor/outdoor transitions that engage at street level and promote natural surveillance. Urban guidelines that help define the elements described above will help developers and designers articulate a positive and cohesive streetscape approach.

Central St. Giles and and Neo-bankside developments in central London are a good example of new contemporary development that articulates positive response to the public realm by integrating active use at street level.

Figure 12: Site Survey Photos

Source: AECOM 2014. Photos clockwise from top left: 1) Avenida de la Fuente pedestrian plaza; 2) Otaez Restaurant mural; 3) 33rd Avenue between International and East 12th Street; 4) tree cover begins to thin at 35th Avenue and International Boulevard.

Case Studies

INTRODUCTION

Beyond economic analysis, surveys, and stakeholder interviews, the project team researched the current practices and economic development efforts of other business improvement and community benefit districts (BIDs/CBDs) in Oakland, as well as other Latino-oriented commercial districts in California. For this report, management plans of the nine other Oakland BID/CBDs were compared to Fruitvale's. The managers of Oakland's Temescal and Downtown BIDs were also directly interviewed to better understand their organizational structure and strategy, particularly in how their approach differs from the Fruitvale BID. Two additional retail corridors with strong cultural identities and similar demographics to the Fruitvale, Lower 24th Street in San Francisco and Boyle Heights in Los Angeles, were also examined to understand how business and community organizations have attempted to attract new customers while retaining and supporting the current resident and business community.

OAKLAND BUSINESS IMPROVEMENT DISTRICTS

The Fruitvale BID is one of 10 BIDs/CBDs in the City of Oakland. The other nine are located in the commercial districts of Rockbridge, Montclair, Lakeshore, Temescal, Laurel, Koreatown Northgate, Downtown Oakland, Lake Merritt, and, as of 2013, Jack London. Annual assessments paid to individual CBDs/BIDs by property or business owners range from $80,000 to more than $1 million. Fruitvale's budget of $324,000 is near the median of $305,000 collected by Oakland BIDs/CBIDs. In terms of revenue per square foot of land area, however, Fruitvale's assessment revenues per square foot are the lowest of any active BID, and about half the average of all BIDs.

The table below compares the budget of the Fruitvale BID to the typical BID budget. In the typical Oakland BID, security and beautification services are more evenly split and a greater share of the budget is dedicated to marketing. While Fruitvale's original management plan called for 81 weekly hours of security and 58 hours of street maintenance, since the passage of the 2011 management plan, all of the Fruitvale BID's contract services budget has been dedicated to street cleaning (with the exception of a grant-funded safety ambassadors program, not reflected in assessment budget below).

Table 17: Fruitvale BID Assessment Budget Compared to Oakland Average

	Fruitvale BID	Oakland BID Average
Beautification / streetscape	71%	34%
Security	0%	27%
Administration	26%	26%
Marketing	2%	13%
Total Budget	$324,000	$305,000 (median) $460,000 (average)

Source: AECOM 2014, City of Oakland BID management plans.

Several lessons learned in BID organization, programs, and resourcing emerged from a comparison of the management plans of the nine remaining BIDs to Fruitvale's BID. These findings, as well as the feedback from the managers of the Telegraph/Temescal and Downtown Oakland BIDs (budgets of $240,000 and $930,000, respectively) are reviewed below.

ORGANIZATION AND GOVERNANCE

The remaining nine BIDs/CBDs in Oakland operate as independent non-profit organizations, rather than as part of an existing institution like The Unity Council. BID managers interviewed for this study say they see value in operating as a separate organization for purposes of advocating on behalf of their members on business issues at City Council and, in some cases, for fundraising purposes. (That being said, the history of the Fruitvale BID is a testament to the benefits of operating as part of a large and well-respected organization.)

Temescal and Downtown Oakland BIDs have large, active boards of directors including a broad group of property owners and/or merchants with designated leadership roles such as president, vice president, and treasurer, as well as chairs for separate marketing, safety, and maintenance committees. BID managers report "working for" their boards and rely heavily on the board for strategic direction. As important, BID board members invest significant time and other in-kind resources in BID operations, adding to each organization's capacity. Up until its recent renewal, for example, the Temescal BID had nearly as many parcels as the Fruitvale BID but was supported only by a part-time administrative staff person, leaving many essential duties, including the contracting of district services, to be carried out by the 14-person board of directors and other Temescal BID volunteers.

COMMITMENT TO SECURITY

As illustrated in Table 17, above, all nine remaining BIDs make some allowance for public safety programs in addition to cleaning services. In some cases this is done through a specific line item in the management plan or in cooperation with a safety and cleaning contractor like Safety First, which has varied cleaning and safety hours for some of its clients based on current needs. BID managers say safety is an essential part of their programming particularly when safety ambassadors work in a problem-solving role. The Downtown BID, for example, says Block By Block safety ambassadors have helped improve communication and cooperation with OPD.

LEVERAGING RESOURCES

The remaining Oakland BIDs/CBDs have been more aggressive in pursuing assessment increases than Fruitvale has been. Most BIDs pursue average annual increases between a 2% and 4%—or slightly below the maximum allowable assessment increase. The Fruitvale BID has only exercised the option to increase assessments once since forming in 2001 (the last time being in 2006) and is the only property-based BID to have not raised assessments in the last three years.

BID managers say there can be value in pursuing annual assessments since it helps to maintain accountability between the organization and its members and reaffirms the commitment of property and business owners to a high level of service. In addition to annual assessments, BIDs have sometimes chosen to broaden their assessment base by requiring more property owners to cover the full cost of services they receive. For example, the renewed Temescal/Telegraph BID has increased its assessment base partly by requiring non-profit property owners to pay the full rate of all BID-related assessments, excluding the square footage assessment for built area, the proceeds of which are reserved specifically for business marketing.[1]

Oakland BIDs also rely on partnerships to broaden their impact. Events such as First Fridays downtown have resulted from collaborations between multiple BIDs and arts organizations. Even the Downtown Oakland BID acknowledges it does not have the budget to launch a large-scale destination marketing campaign on its own. As the Downtown Oakland BID prepares a marketing platform for the entire Broadway corridor, it is soliciting participation and resources from the Oakland Chamber of Commerce, the Oakland Convention and Visitors Bureau, and other BIDs along the corridor to take the platform to scale.

[1] Note that the Fruitvale BID's management plan also assesses non-profits. However, the discount non-profits receive (more than half the full assessment) is much larger than the share of the Fruitvale BID budget reserved specifically for business promotion (currently less than 3%).

LATINO-ORIENTED COMMERCIAL CORRIDORS

Best practices in economic development and community stabilization were reviewed for the following two commercial corridors with a cultural history and economic conditions similar to the Fruitvale:

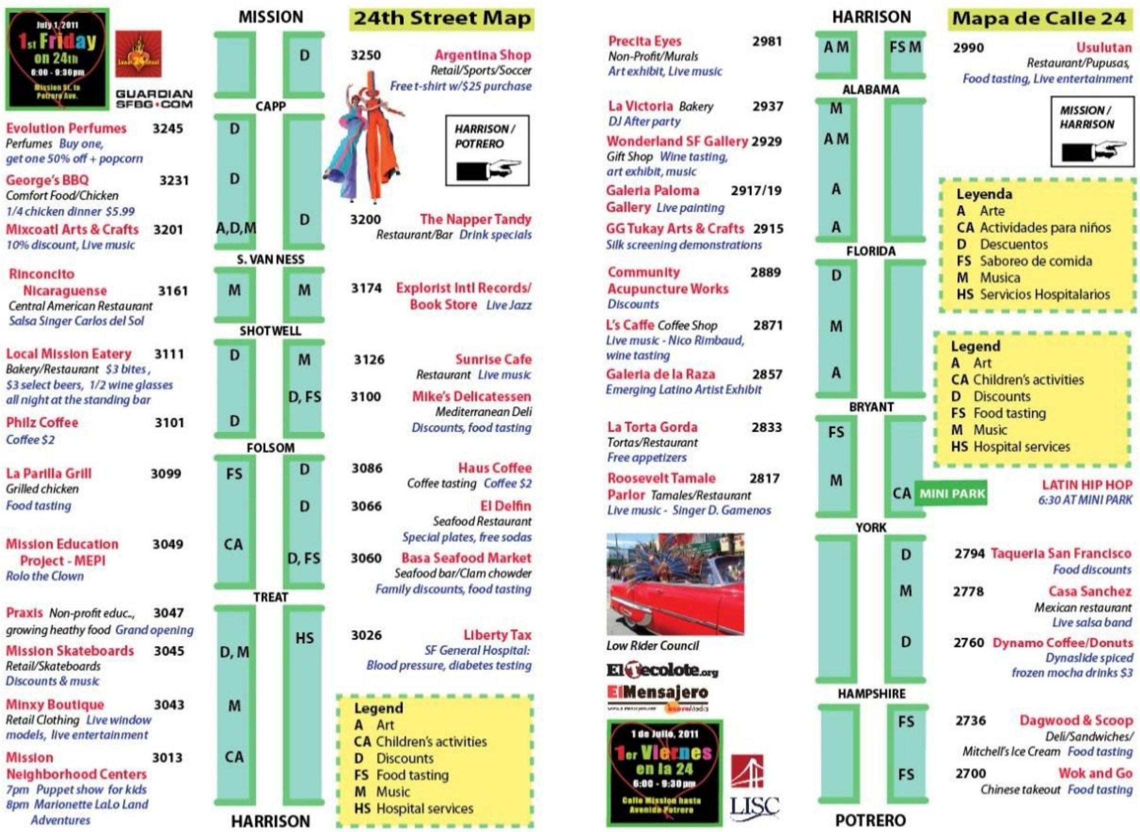
- ***The Lower 24th Street Commercial Corridor*** stretches 12 blocks in San Francisco's Mission District. Like the Fruitvale, the District is well-served by transit and home to a predominantly Latino community; half of nearby residents and 60% of business owners are of Latino descent. Approximately 130 small businesses, many of them multigenerational, are members of the Calle 24 merchant association, which formed in 1999. While the district's per capita income is currently double the Fruitvale's, the trade area population is half the size of the Fruitvale trade area, meaning that purchasing power supporting the two districts is roughly equivalent.
- ***Boyle Heights*** has been a center of Latino culture in Los Angeles since the 1930s. Historically, per capita and median incomes in the district have been on par with the Fruitvale. Recent investments by Los Angeles Metro in the Gold Line have shifted the commercial and residential market dynamics in the district quite dramatically, as more young professionals have moved to the area to take advantage of competitive housing options in close proximity to downtown Los Angeles. Community organizations such as the East LA Community Corporation (ELACC) are seeking ways to both stabilize and fortify the commercial corridor.

Key takeaways from the project team's review of the above corridors' business promotion efforts, physical interventions, and commercial strategies are summarized below.

ENGAGED MERCHANT PROMOTION

A volunteer-run Mission District merchant association, Calle 24 has had success organizing merchant-focused events such as the First Friday series, where as many as forty merchants have committed to promoting a special offer or activity at their store the first Friday of the month. The merchant association releases a map of each store's promotion to the wider public (Figure 13), listing art and music events, store discounts, and food tastings. Pooling their resources together, local merchants have attracted more than a thousand visitors at a time with a city-funded budget of roughly $4,000 per event. For events such as this one, the association maintains a strict policy that only local merchants are promoted. In between events, Calle 24's website includes an interactive map of merchants and a web tool for visitors to plan their day in the district. ELACC has provided similar support for an emerging merchants association in Boyle Heights. ELACC's outreach extends to street vendors including advocacy for the legalization and regulation street vending in Los Angeles.

Figure 13: 24th Street Promotional Map, in Spanish and English



Source: Calle 24 Merchant Association.

CULTURAL LANDMARKS

Both districts benefit from investments in the preservation of cultural landmarks. Boyle Heights' Mariachi Plaza has been formally recognized as a historic-cultural landmark, while Lower 24th Street recently received designation by the City of San Francisco as a cultural heritage district, due in part to the high concentration of cultural landmarks such as Balmy Alley and Brava Theater. Preservation of and continued investment in cultural landmarks has honored each district's unique history and helps continue to support a range of community programming and activities. Boyle Heights' Mariachi Plaza, for example, received major renovations when the Los Angeles Metro Gold Line metro line was constructed, including an expanded concrete stage for performers. While continuing to be a gathering place for local mariachis, the plaza today hosts regular farmers markets, art walks, performances, and special events, such as the Los Angeles Taco Festival, held throughout the year.

ECONOMIC DIVERSITY AND CULTURAL IDENTITY

Since the arrival of the Gold Line metro station in 2009, Boyle Heights has seen an influx of young professionals who choose to live in the area and commute to downtown. Many recent arrivals are in fact the children of Mexican immigrants who value the district's cultural integrity yet maintain different tastes and spending patterns than their parents. Recent retail offerings in Boyle Heights, such as an upscale coffee shop, a wine bar, and a sleek taco shop, continue to pay homage to the district's cultural roots, while capturing the spending of new arrivals. In many ways the district has emerged as a regional destination for Latino-oriented shops and restaurants. A number of newer establishments are owned and operated by younger residents who grew up in the district. On Lower 24th Street, which has also seen a dramatic change in its resident population, the merchant association provides technical assistance to long-time merchants to retain their storefronts as commercial rents rise.

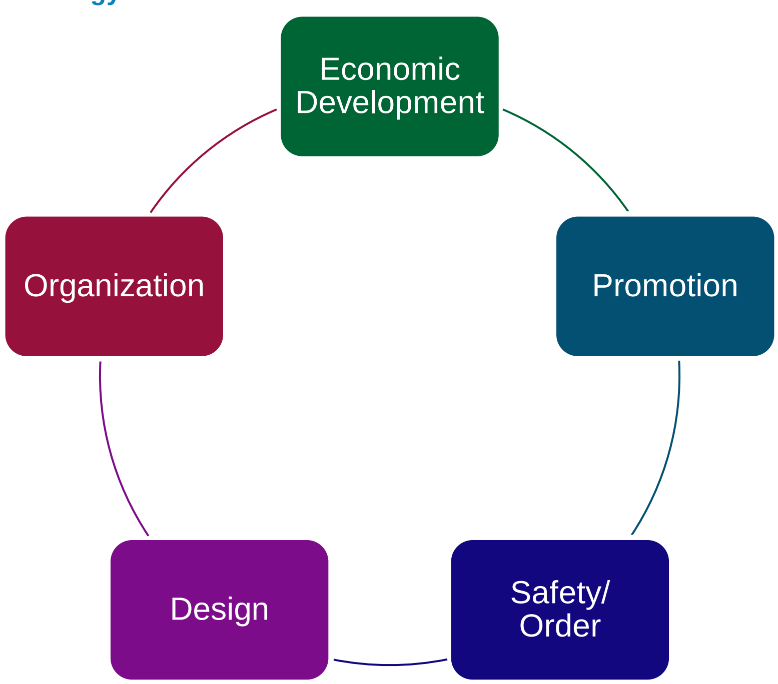
Strategy Recommendations

ABOUT THE CORRIDOR STRATEGY

The findings from the economic analysis, case studies, stakeholder interviews, and surveys form the basis of Fruitvale Economic Development and Corridor Strategy. Strategies identified below are designed to diversify the district's retail offering, promote the district as a regional destination, encourage a clean and safe shopping environment, activate and enhance the public realm, and foster civic capacity. Community stakeholders convened at the Unity Council in early October to prioritize action items within each of the five strategy areas that best make use of the limited resources of the BID and its public and private sector partners.

While the action items presented in the matrix below are framed in terms of what the Business Improvement District can do to further Fruitvale's economic revitalization, most items will require partnership and continued dialogue with public sector agencies (the City of Oakland and AC Transit), other non-profit organizations (such as the Spanish Speaking Unity Council and TransForm), foundations and corporate investors, and other partners and neighborhood stakeholders.

Figure 14: Corridor Strategy Areas



STRATEGY RECOMMENDATIONS

Objective
1) A strategic objective that should be addressed at the district-wide level.
A. Strategy – an action, initiative, or program which aims to achieve the goal set out by the objective. - Action Item – An action item that is more specific, and builds on, clarifies and/or helps to implement the strategy.
- Strategies highlighted in light blue have been identified by neighborhood stakeholders as top priority items.

Objective 1) Economic Development
Diversify retail offering through residential and commercial development.
A. Work with the City of Oakland and local brokers to close retail gaps in grocery, clothing and drug stores through business attraction and/or helping existing establishments offer products in greatest demand.
B. Work with City to market opportunity sites, including former Redevelopment parcels, to housing and commercial developers and potentially advocate to expand S-15 transit oriented zoning.
C. Advocate for removal of barriers to business development/expansion particularly for amenities that are complementary to transit-oriented development: - Streamline alcohol permitting for destination businesses (restaurants and breweries); - Allow for additional coffee shops near transit village; - Permitting advice for existing businesses seeking to expand their offering.

Objective 2) Business Promotion
Increase sales of existing businesses by promoting the district as a cultural destination.
A. Create simple marketing website for the Business Improvement District that builds on the district's identity as a Latino/multicultural center and highlights culinary offering.
B. Ensure a year-round succession of district events. - Organize merchant-led promotion event which could include a promotional map and special offers at dozens of local stores.
C. Provide suite of programs for anchor businesses (primarily restaurants) with greatest potential to attract visitors: - Tax and permitting advice; - Financing to acquire buildings; - Façade improvement funds for successful, long-standing businesses in the area.
D. Partner with local arts organizations and artists to incorporate arts activities (music, dance or other performances) into district's offering.

Objective 3) Safety and Order
Reduce the reality and perception of crime in the district and encourage a clean, safe and orderly street environment.
A. Advocate for police foot patrol on International Boulevard and secure police presence for afternoon/evening events.
B. Reinstate safety ambassador program through fundraising and/or combining BID services. - Partner with city to offer a training program to safety ambassadors based on best practices in other districts.
C. Intensify activity at the transit plaza and make it an exemplary family-oriented public space. (See design.)

D. Encourage business/property owners to replace barred windows and doors with subtler security measures (following Crime Prevention Through Environmental Design principles) to avoid broadcasting security threat.
E. Work with city to amplify code enforcement related to the public realm - Street vending regulations; - Signage.
F. Continue street maintenance program as well as efforts to address sources of littering / trash. - Continue enforcement of illegal waste dumping; - Initiate campaign promoting collective responsibility in keeping Fruitvale clean.

Objective 4) Design and Mobility
Extend visitor stays and build on district identity through enhancements to the public realm.
A. Consider adoption of flexible parking benefit district (as piloted in Montclair District) to free up parking spaces near key commercial nodes and raise funds for additional public realm enhancements
B. Continue advocacy for streetscape investments tandem with BRT improvements: - Extend rows of trees along the commercial corridor. - Improve pedestrian loops between Fruitvale Avenue and 37th Avenue connecting International Boulevard, East 12th Street, and the BART station.
C. Add active open space element between International Boulevard and the Fruitvale BART station.
D. Support the expansion of car- and bike-sharing near the Fruitvale BART station.

Objective 5) Organization
Expand capacity of BID to carry out corridor strategy.
A. Increase the advocacy profile of the BID and involve merchants in setting agenda. - Dedicate staff time to city advocacy on zoning, permitting, policing and other issues included in the economic strategy.
B. Explore additional and sustainable funding sources for BID activities, including: - Assessment increases; - City state/grants; - Parking benefit district.
C. Clarify roles of stakeholders in executing the strategy. Create working committees for each strategy area with participation from property and business owners and other volunteers.

Acknowledgments

The project team would like to thank the following participants who provided background information and economic development recommendations for this study:

- Rama Pochiraju, AC Transit
- David Wilkins, AC Transit
- Morgan Cox, Ale Industries
- Kate Sugarman, ARISE High School
- Helen Slape, Bonanza
- Erick Arguello, Calle 24
- Aliza Gallo, City of Oakland Economic Development
- Keira Williams, City of Oakland Economic Development
- Noel Gallo, District 5 Council Member
- Jose Dorado, Dorado Tax
- Steve Snider, Downtown Oakland Association
- Carlos Castellanos, East Bay Asian Local Economic Development Corporation
- Stefany Menjivar, Farmers Insurance
- Jay Porter, Half Orange
- John Jay, Jay-Phares Corporation
- Marsha Murrington, LISC
- Cleofas Soto, Los Hermanos Produce Market
- Mario Juarez, Mario Juarez Real Estate
- Randy Menjivar, Mendivar Western Wear
- Emma Navarro, Milagros de México
- Paul Figueroa, Oakland Police Department
- Ramon Pena, Pena’s Bakery
- Tomas Bahona, Taqueria 16 de Septiembre
- Darlene Rios Drapkin, Temescal BID
- Joël Ramos, TransForm
- Ann Cheng, TransForm
- Jess Piovarcsik-Diliberto, Two Mamas Vegan Kitchen
- Jules Piovarcsik-Diliberto, Two Mamas Vegan Kitchen

Unity Council Project Team

- Maria Sanchez
- Javier Figueroa
- Chris Iglesias
- Ross Ojeda
- Erin Patch
- Sofia Navarro

Appendix

Figure 15: Transit Service in the Fruitvale

Source: AECOM 2014

Figure 16: Trade Area Community Needs versus Bay Area

	Fruitvale (1 mi)	Fruitvale %	Bay Area %
Occupied Housing Units	14,500		
Renter Occupied	10,300	71%	43%
Working Age Adults (16-64)	34,250		
Without Work	13,700	40%	27%
All Adults 25+	30,300		
Adults with HS Degree or Less	20,000	66%	29%
Households	14,500		
Families With Children Households	6,400	44%	30%
Families Living in Poverty	2,200	34%	10%
Children	12,900		
Children Living Below Poverty Line	5,400	42%	14%

Source: AECOM 2014. ESRI Business Analyst 2013. Bay Area is defined as the nine-county area represented by the Association of Bay Area Governments.

Table 18: Fruitvale Opportunity Sites

Address	Size	Current Use	Zoning	Height limit	Development Plans (Redevelopment Parcels Only-1)
3615 FOOTHILL BLVD	11,958	In-use	RU-5	45	
3737 SAN LEANDRO ST	18,340	In-use	HBX-1		
3251 INTERNATIONAL BLVD	36,925	In-use	S-15	75	
1011 39TH AVE	13,000	In-use	HBX-2		
3464 FOOTHILL BLVD	16,443	In-use	CN-3	45	
2764 INTERNATIONAL BLVD	15,549	In-use	CC-2	60	
3053 INTERNATIONAL BLVD	12,556	Parking	CC-2	75	
3111 INTERNATIONAL BLVD	26,838	In-use	CN-2	75	
2345 INTERNATIONAL BLVD	20,592	In-use	CN-3	60	
3927 INTERNATIONAL BLVD	21,504	In-use	CC-2	75	
4240 INTERNATIONAL BLVD	57,693	In-use	CC-1	75	
1435 HIGH ST	13,930	In-use	CC-1	75	
3626 SAN LEANDRO ST	12,071	Vacant	HBX-2		
3751 INTERNATIONAL BLVD	15,657	In-use	CN-2	75	
3811 SAN LEANDRO ST	14,978	In-use	HBX-1		
3216 INTERNATIONAL BLVD	22,097	In-use	CN-2	75	
4256 INTERNATIONAL BLVD	11,435	In-use	CC-1	75	
1410 31ST AVE	18,200	In-use	CN-2	75	
1215 HIGH ST	18,029	In-use	CC-2	75	
4217 INTERNATIONAL BLVD	12,930	In-use	CC-2	75	

3400 FOOTHILL BLVD	12,542	In-use	CN-3	45	
1242 35TH AVE	13,310	Vacant	S-15	90	
3566 FOOTHILL BLVD	6,474	Vacant	RU-5	45	Standalone retail or mixed use housing
3550 FOOTHILL BLVD	11,375	Vacant	RU-5	45	Standalone retail or mixed use housing
2759 FOOTHILL BLVD	2,093	Vacant	RU-5	45	Neighborhood retail development
3229 SAN LEANDRO ST	9,138	Vacant	HBX-2		Staging area for Fruitvale Village II
3301 SAN LEANDRO ST	14,546	Vacant	HBX-2		Staging area for Fruitvale Village II
3600 FOOTHILL BLVD	10,659	Vacant	RU-5	45	Standalone retail or mixed use housing
3614 FOOTHILL BLVD	5,015	Vacant	RU-5	45	Standalone retail or mixed use housing
DERBY AVE	9,034	Vacant	CC-2	60	Standalone retail or mixed use housing
3050 INTERNATIONAL BLVD	32,484	Vacant	CC-2	75	Retail uses fronting International and community/medical offices

Source: AECOM 2014, City of Oakland Assessor's data 2013, and the City of Oakland's Revised Long-Range Property Management Plan for the Disposition and Use of Former Redevelopment Agency Properties.
Former Redevelopment Authority parcels highlighted in blue.

THE UNITY COUNCIL

50TH ANNIVERSARY