

History of Industrial Activities and Industrial Zoning in Oakland

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I. Introduction

In April 2021, the City of Oakland Planning & Building Department (PBD) began an effort to develop recommendations for updating specific industrial land use regulations within the Oakland planning (zoning) code, to address environmental justice issues and air quality concerns citywide. The proposed planning code amendments aimed to do this by 1) implementing a conditional use permit for heavy-impact industrial activities near residential zones and 2) restrict siting of sensitive uses in industrial zones. This effort sprung out of the Department's work to implement specific strategies in the West Oakland Community Action Plan (WOCAP) that deal with regulating truck-attracting businesses and accelerating the relocation of polluting industries out of West Oakland. Although the WOCAP focuses on solutions for communities in West Oakland, PBD will develop regulations that will apply citywide and benefit burdened communities throughout the city, especially East and West Oakland, which face similar disparities in air quality. The City has been working closely with the Bay Area Air Quality Management District (BAAQMD) to identify the types of businesses that most contribute to diesel emissions due to truck trips, using primary research and modeling, and develop appropriate solutions for reducing the impact of air pollution in communities disproportionately burdened by air pollution.

While these efforts would have created near term solutions to address some long-standing community residents' concerns regarding industrial pollution, they did not go far enough to address the full breadth of historic and present community concerns. On the other hand, the industrial community felt these efforts posed a threat to property values and investment perspectives. Going forward, it is important that the City, residents, and business community fully understand the historical landscape of industrial policy development in Oakland, to create solutions that are comprehensive and forward-looking. The City of Oakland has been considering the development of a comprehensive industrial policy since the early 2000s. To date, almost two decades later, no such policy has been adopted. However, every few years or so, the City Council, in reaction to project proposals from the development community, has approved discrete industrial policy changes. These changes have been largely focused on responding to developer interest in converting industrial land. In November 2021, the City launched its General Plan Update process to create the 2045 General Plan, which will guide the development of the City from 2025-2045. The Oakland 2045 General Plan presents an opportunity to develop a comprehensive Industrial Lands and Good Movement Policy that develops a vision for Oakland's industrial landscape focused on 1) using zoning and land use tools to achieve equitable outcomes, like improving health outcomes and reducing pollution in impacted communities and reducing racial disparities in job access and 2) attracting new, job-dense industrial sectors that would create jobs with little environmental impacts.

This paper provides an overview of Oakland's industrial history, a timeline of key periods in the development of Oakland's industrial sector, and highlights political, social, and economic conditions and policies that have shifted Oakland's industrial landscape. The paper is a tool that allows decision makers to understand how City policy decisions shaped and contributed to the racialized disparities in air quality for communities in East and West Oakland and aid them in thinking about mitigation measures or changes needed to improve these conditions.

II. A Brief History of Oakland's Industrial Development



Figure 1: Timeline of Industrial Change in Oakland^{1,2}

¹ Ronna Abramson, "Granny Goose shuts storied plant," *Oakland Tribune*, 2000.

² Barbara Grady, "Cookie jobs crumbling in Oakland," *Oakland Tribune*, 2006.

III. Emergence of Industrial Activity in Oakland

Since its incorporation in 1852, the City of Oakland has been a hub of industrial activity in the East Bay. Fueled by the Gold Rush of 1849 and California's statehood in 1850, the region attracted miners, lumbermen, businessmen, speculators, and opportunists from across the country.³ The City's industrial and commercial activities naturally centered along the wharves, supported by the ferry to San Francisco that was established in 1854; the San Francisco and Oakland railroads (in operation by 1863); and the selection of Oakland Point as the western terminus for the first transcontinental railroad in 1869.⁴ In 1870, Oakland had "16 'major' factories, covering 15 acres and employing 1,200 people; by 1900 it had 50 plants covering 70 acres and employing over 4,000 people."⁵ For decades, the Southern Pacific rail yards was Oakland's largest employer, employing anywhere from 4,000 to 5,000 workers by the 1920s.⁶ A significant number of railroad employees were African Americans who worked mostly as sleeping car porters or laborers. Another significant group of neighborhood residents were San Francisco commuters who settled in Oakland due to the availability of land and the reliable ferry service. From the 1890s through the 1920s, West Oakland was home to expansive, full-block manufacturing complexes to support the railroad industry.

In addition to the railroad industry, the rise of Oakland as an industrial powerhouse was tied to the extraction of natural resources in the surrounding hinterland.

Oakland's industry relied on the extraction and processing of natural resources from the city's rural hinterland. Cattle who grazed upon the land provided meat, dairy products, and hides for tanneries; forests contributed timber for lumber mills that went into the building of houses, furniture, and carriages; the bay was harvested for fish, seafood, salt, and other minerals that were processed into chemical compounds; hillsides were quarried for Franciscan sandstone that was used for concrete sidewalks and building foundations as well as macadamized streets; truck farms and orchards produced vegetables and fruits, much of which was then canned; wheat, oat, and barley fields supplied grains for flour mills and breweries.⁷

Notable resource companies include The California Cotton Mills, which employed as many as 1,200 workers at its peak (during the late teens and twenties); the California Packing Corporation (CalPak), "the largest cannery in California during the 1920s, employing close to 1,500 workers, for whom CalPak offered housing in company cottages and daycare for employee's children"; and the Electro-Alkaline Company, later known as the Clorox Chemical Company, the nation's first liquid bleach factory.⁸

Oakland's industrial sector continued to grow during the First and Second World Wars, which positioned Oakland as one of the nation's main steel shipbuilding centers, with the Oakland/Alameda shipyards having an 18.5 percent share of total American shipbuilding and over 40,000 employees, at their height of operations around 1919 and 1920.⁹

³ Betty Marvin, "Historic Context: Unreinforced Masonry Buildings in Oakland, 1850-1948," *Oakland Cultural Heritage Survey*, 1995.

⁴ Betty Marvin, "Historic Context: Unreinforced Masonry Buildings in Oakland, 1850-1948: Appendix B: Overview of Oakland's History and Development," *Oakland Cultural Heritage Survey*, 1995.

⁵ *Ibid.*

⁶ Mitchell Schwarzer, *Hella Town: Oakland's History of Development and Disruption*, 1st ed. (Oakland: University of California Press, 2021), 54.

⁷ *Ibid.*

⁸ *Ibid.*, 60.

⁹ *Ibid.*, 69.

From the early 1900s through the 1920s, East Oakland became a major auto industry hub, as companies sought vast horizontal spaces to locate assembly plants. East Oakland, which politicians tried to brand as “the Detroit of the West,” was home to branches of national firms like Chevrolet and General Electric. The area also housed plants that manufactured large and small automobile parts, tires, and other auto accessories. Development in East Oakland was spurred by the expansion of the railroads and the need for affordable housing to support the growing labor force. In the 1920s, the City Beautiful movement spurred the construction of vast housing tracts in East Oakland, such as Picardy Drive and “Court of All Nations” built to house auto and factory workers.

Oakland’s industrial sector began to decline in the 1950s, with the sudden closure of the Chrysler factory in 1955 that left 1,600 East Bay workers unemployed. From 1960 to 2000, the closure of factories and plants left thousands unemployed. The decline of manufacturing plants was the result of a number of factors: decentralization and suburbanization; automation; anti-unionization; and global competition.¹⁰

IV. Zoning, Racial Exclusion, and Displacement in Oakland

Zoning is the primary tool that local jurisdictions use to plan what goes where. It is used “to designate certain areas as ‘appropriate’ for certain uses,” to “restrict or prohibit certain land uses in certain areas,” and determining “the allowable uses to which land may be put.”¹¹ Zoning policies, which generally separate land into broad categories of use, such as residential, commercial, and industrial, thus have intense implications on social, environmental, and racial equity within a city. In the early 1900s, cities employed racial zoning, designating neighborhoods only for members of certain racial groups. The Supreme Court declared racialized zoning as unconstitutional in 1917, but jurisdictions found ways to use economic zoning to accomplish racial segregation, with the help of the federal government. In 1921, President Harding’s Advisory Committee on Zoning created a manual describing why every municipality should have a zoning ordinance and published a model zoning ordinance.¹² While not explicitly stated, it was clear that “the creation of racially homogenous neighborhoods [w]as the reason why zoning should become such an important priority for cities.”¹³

In *The Color of Law*, Richard Rothstein writes that the “the use of industrial, even toxic waste zoning, to turn African American neighborhoods into slums was not restricted to St. Louis. It became increasingly common as the twentieth century proceeded and manufacturing operations grew in urban areas.”¹⁴ Oakland adopted its first zoning ordinance in 1935, creating four residential zones: “A” one-family district, “B” two-family district, and “C” and “D” multiple dwelling family district, limited to 6 and 8 stories respectively; three commercial zones, and two industrial zones: “H” light industrial district and “I” heavy industrial district. The Oakland Hills was zoned as a single-family residential area, while West Oakland and the Oakland Waterfront were zoned as industrial areas. In the 1935 zoning maps, West Oakland had much denser residential zoning among light and heavy industrial. Comparing the 1935 zoning maps with sociologist Floyd Hunter’s map of housing segregation in Oakland shows that, of the three containment zones where Black people were relegated, none of them had “A” Zoning and they each had

¹⁰ Ibid, 204.

¹¹ Juliana Maantay, “Zoning, Equity, and Public Health,” *American Journal of Public Health*, 91, no. 7 (2001).

¹² Richard Rothstein, *The Color of Law: a Forgotten History of how our Government Segregated America*, 1st ed. (New York: Liveright Publishing Corporation, 2017), 51.

¹³ Rothstein, *The Color of Law*, 51.

¹⁴ Ibid, 54.

industrial uses surrounding and dispersed among residential areas.¹⁵ Of the six exclusionary zones where Black people were kept out of, half of them “had exclusively “A” zoning, an additional two had partial “A” zoning, and only one had industrial zoning south of MacArthur Boulevard, the line marking the base of the Oakland Hills.”¹⁶

Oakland’s first General Plan was adopted in 1959. That same year, the West Oakland General Neighborhood Renewal Plan (GNRP), published by the Oakland Redevelopment Agency in 1957 was also adopted. Oakland’s African American community was disproportionately affected by the GNRP. In the late 1950s, residential neighborhoods in the East Bay were deeply segregated, a result of the “postwar housing crisis brought on by the influx of migrants and loss of wartime jobs,” and the flight of white Oaklanders to the suburbs to purchase new homes with the assistance of federal loan mortgage programs.¹⁷ Most of Oakland’s Black population, which had increased dramatically due to the job boom of World War II, was confined to West Oakland due to racialized housing restrictions and redlining.¹⁸ Properties in West Oakland were falling into a state of disrepair due to absentee landlords that wouldn’t maintain their properties and African-American homeowners, due to redlining, could not get the loans necessary to maintain, repair, or improve their homes.¹⁹ The resulting “devaluation of property...coupled with the decline of the city’s commercial district, created anxiety for local officials and resulted in the unanimous approval of the GNRP by City Council as it outlined “a sweeping redevelopment plan for West Oakland.”²⁰

In 1962, Phase 1 of the GRNRP resulted in the razing of the entire 34-acres of West Oakland’s Acorn neighborhood to create a housing project. Acorn was home to “an estimated 500 primarily low-income families (78 percent African American, 20 percent Mexican American, and 2 percent White) living in some 600 dwellings.”²¹ Despite significant community protest, where “over 500 people attended the Redevelopment Agency’s public hearing and spoke against the project...the city moved on with the plan in 1962, demolishing 50 blocks and displacing nearly 9,000 residents.”²² Construction of the Acorn housing projects did not occur until five years later, and when they were completed in 1974, only 1,000 housing units were created.²³

The demolition of the Acorn community occurred just after 600 families in West Oakland were uprooted to build the Cypress Freeway (completed in 1958) and 400 Victorian homes were demolished in 1958 to build a new postal redistribution center.²⁴ A decade later, in 1968, “500 houses and four churches were destroyed for I-980 construction, which cut West Oakland off from downtown.”²⁵

¹⁵ Penelope Ferguson “Head for the Hills: Race and Property Value in Oakland,” Honors Thesis, (University of California, Santa Barbara, 2018).

¹⁶ Ibid.

¹⁷ Moriah Ulinskas, “Imagining a Past Future: Photographs from the Oakland Redevelopment Agency,” *Places Journal*, January 2019, <https://doi.org/10.22269/190122>.

¹⁸ Ibid.

¹⁹ Katie Ferrari, “The house on Magnolia Street,” *SF Curbed*, 2020, <https://sf.curbed.com/2020/4/29/21240456/moms-4-housing-oakland-house-history>.

²⁰ Ulinskas, “Imagining a Past Future.”

²¹ Ibid.

²² Ferrari, “The house on Magnolia Street.”

²³ Ibid.

²⁴ Ibid.

²⁵ Ibid.

V. Towards a Citywide Industrial Lands Policy

Since 1998, there have been numerous planning and policy efforts to align the city's zoning codes with the General Plan. Notably, since 2005, the Planning Commission and City Council have reviewed and considered different analyses and policy proposals regarding the administration and retention of Oakland's industrial land. These discussions were spurred by several large projects that wanted to convert industrial land into residential land. In 2008, the Community & Economic Development Agency recommended, in an agenda report to the City Administrator's Office, that Oakland develop a citywide industrial land use policy "based on the following factors: industrial land is a scarce resource in Oakland; conversion of industrial land to residential use should be restricted because of the scarcity and because once industrial land is re-classified to allow residential uses, that re-classification is permanent; and given the need to periodically adjust land use more frequently than General Plan updates occur, a set of criteria should be developed to evaluate any proposed conversion of industrial land."²⁶ To date, the city has not developed a comprehensive, citywide industrial land use policy, although this effort will be a part of the upcoming General Plan Update. The following sections present an overview of key planning code amendments pertaining to industrial lands that the city has implemented over the last two decades.

A. 1998 General Plan

Oakland's current General Plan was adopted in 1998 and some parts of it were updated in Specific Plans as noted below. The 1998 General Plan Land Use and Transportation Element (LUTE) identified Industry and Commerce as a key policy area and outlined policies and strategies to growing the industrial economy. The LUTE also created the industrial land use classifications of Business Mix and General Industry/Transportation. Key objectives of the LUTE included:

1. Attracting new businesses and retaining existing businesses;
2. Rehabilitating and modernizing old industrial buildings and sites;
3. Re-routing and enforcing truck routes; and
4. Minimizing land use conflicts in industrial areas.²⁷

The plan identified East and West Oakland as priority implementation areas with strategies to address ongoing land use conflicts between residents and industrial businesses. The Housing and Business Mix (HBX) land use classification was created with the intent to: "1) recognize the equal importance of both housing and business; 2) guide a transition from heavy industry to low impact light industrial and other businesses that can co-exist compatibly with residential development; 3) provide additional housing and neighborhood friendly businesses; and 4) respect environmental quality."²⁸ The HBX is intended to be applied in areas where low impact industry and housing can peacefully coexist, with suggestions to develop "good neighbor" criteria. The plan also created new truck routes for areas in the city with a mix of business and residential uses that relied on arterial streets away from residential neighborhoods.

In 1999, the City adopted the Estuary Policy Plan which refined the General Plan policies for the Estuary Planning Area. The Estuary Policy Plan contains the Residential Mixed Use (RMU) land

²⁶ City of Oakland, Community & Economic Development Agency, *Report and Recommendations Adopting a Motion Establishing a City-wide Industrial Land Use Policy*, 2008.

²⁷ City of Oakland, Community & Economic Development Agency, *Envision Oakland, City of Oakland General Plan: Land Use and Transportation Element*, 1998.

²⁸ City of Oakland, Community & Economic Development Agency, *Ordinance to 1) Adopt Proposed Amendments to the Zoning Regulations that Create Three New Housing and Business Mix (HBX) Zoning Designations...*, 2006.

use classification, with the intent to: “enhance and strengthen the viability and attractiveness of the Kennedy Tract as a mixed use residential neighborhood of low to medium density housing within a fine-grained fabric of commercial and light industrial uses.”²⁹

B. HBX Zones

In 2006, the City created three new zoning districts: HBX-1, HBX-2, and HBX-3 in order to implement the Housing and Business Mix and Residential Mixed Use land use classifications detailed in the 1998 General Plan and Estuary Policy Plan, respectively.³⁰ The purpose of creating these zones was to create consistent development standards in areas of the City that were “experiencing significant development interest.”³¹ The three zones permit or conditionally permit “activities that allow for a variety of activities such as residential, light industrial, offices, community facilities, services, and retail.”³² The HBX-1 zone is the only zone that conditionally permits auto repair due to the existing character of the neighborhood. None of the three zones permit Heavy and General Manufacturing activities or activities that involve hazardous waste.³³

Table 1: Descriptions of HBX-1, HBX-2, and HBX-3 Zones

	HBX-1	HBX-2	HBX-3
Location	Areas of East Oakland near heavy industrial areas mostly near I-880	Clawson District of West Oakland and Lowell Street area of North Oakland	Kennedy Tract in the Estuary Plan (west of Fruitvale Avenue and south of I-880)
Acreage (as of February 2022)	116.5 acres	218.4 acres	0 acres
Character	Light industrial activities, auto repair activities, low density, detached unit residential	Light manufacturing, artisan activities, live/work, warehousing, multifamily housing, narrow Victorian houses	
Activities	Similar permitted and conditionally permitted activities that allow for a variety of activities such as residential, light industrial, offices, community facilities, services, and retail		

C. Industrial Zoning Districts

In 2008-09, the City created four new industrial zoning districts to implement the General Plan land use classifications of Business Mix and General Industrial/Transportation:

1. CIX-1 (Commercial Industrial Mix-1),
2. CIX-2 (Commercial Industrial Mix-2),
3. IG (General Industrial), and
4. IO (Industrial Office).³⁴

²⁹ Oakland, *Ordinance to Create HBX Zones*.

³⁰ *Ibid.*

³¹ *Ibid.*

³² *Ibid.*

³³ *Ibid.*

³⁴ Oakland, *Adopting a Motion Establishing a City-wide Industrial Land Use Policy*.

This was necessary as the industrial zoning districts and regulations were not updated after the General Plan was adopted in 1998 and some zoning regulations had not been updated since the Planning Code was adopted in 1965.³⁵ The following graphic (Figure 1) provides a summary of the General Plan’s Business Mix and General Industrial/Transportation land use designations. The four zoning districts were intended to achieve the goals and policies of these designations, including encouraging the development of job-dense industrial uses and providing adequate protections for adjacent residential zones.³⁶

Table 1. Summary of Selected General Plan Land Use Designations

General Plan Designation	Intent	Desired Character	Maximum Intensity
Business Mix	Create, preserve and enhance areas of the City that are appropriate for a wide variety of business and related commercial and industrial establishments. High impact industrial uses including those that have hazardous materials on-site may be allowed provided they are adequately buffered from residential areas. High impact or large scale commercial retail uses should be limited to sites with direct access to the regional transportation system.	These areas may accommodate a mix of businesses such as light industrial, manufacturing, food processing, commercial, bioscience and biotechnology, research and development, environmental technology, business and health services, air, truck and rail-related transportation services, warehouse and distribution facilities, office and other uses of similar business character.	Maximum floor-to-area ratio (FAR) 4.0; in some locations, zoning should establish lower intensities to establish or maintain campus-like business settings. In others, uses and development standards should offer maximum flexibility. In areas where higher impact uses are located, buffering strategies will need to be developed.
General Industrial/Transportation	To recognize, preserve, and enhance areas of the City for a wide variety of businesses and related establishments that may have the potential to create off-site impacts such as noise, light/glare, truck traffic, and odor. These areas are characterized by sites with good freeway, rail, seaport and/or airport access.	A wide variety of uses are included, such as heavy industrial and manufacturing uses, transportation, railyards, maritime terminals, distribution and warehousing, food processing, heavy impact research and development facilities, and other uses of similar or supporting character.	Maximum overall FAR is 2.0

Source: City of Oakland General Plan, Land Use & Transportation Element, p.152, p.153.

Figure 2: Descriptions of General Plan Industrial Land Use Classifications

Notably, in the 2008-09 industrial zoning update Oakland enhanced its regulatory (zoning) authority to address the off-site impacts of industrial activities. Performance standards for Primary Recycling Centers were included as part of the regulations (Planning Code section 17.73.035) to address appearance, noise, and operations, among other standards. A new “Health and Safety Combining Zone” was established to reinforce the existing Fire Department authority to review land use activities that may use, store or process hazardous materials (Planning Code chapter 17.100A). Additionally, the Performance Standards chapter (Planning Code chapter 17.120), which is the regulatory mechanism to address business operations in terms of noise, vibration, emissions, and odor, etc., was updated to add reference to the newly created industrial activities.

³⁵ Ibid.

³⁶ Ibid.

D. West Oakland Specific Plan

In 2014, the implementation of the West Oakland Specific Plan (WOSP) resulted in the creation of six new industrial zoning districts:

1. Commercial Industrial Mix CIX-IA Business Enhancement Zone,
2. Commercial Industrial Mix CIX-IB Low Intensity Business Zone,
3. Commercial Industrial Mix CIX-IC High Intensity Business Zone,
4. Commercial Industrial Mix CIX-ID Retail Commercial Mix Zone,
5. "T" Combining Overlay Zone, and
6. Housing and Business Mix HBX-4 Zone.

Table 2: Summary of WOSP Six Industrial Zoning Districts

WOSP Industrial Zone	Purpose
CIX-1A (Business Enhancement Zone)	Create, preserve, and enhance industrial areas in West Oakland for incubator space, artisans and craftspeople, small startup businesses.
CIX-1B (Low Intensity Business Zone)	Support industrial areas in West Oakland that are appropriate for a broad range of new custom and light manufacturing, light industrial, warehouse, research and development, and service commercial uses.
CIX-1C (High Intensity Business Zone)	Support industrial areas in West Oakland that are appropriate for a broad range of higher intensity commercial, retail, office and advanced manufacturing - type uses. This zone will be applied to areas with strong locational advantages that make possible the attraction of high intensity commercial and light industrial land uses and development types.
CIX-1D (Retail Commercial Mix Zone)	Create, preserve, and enhance industrial areas in West Oakland that are appropriate for a broad range of large-scale retail and commercial uses. This district will be applied to certain areas with a prominent street location.
"T" Combining Overlay Zone	Intended to improve air quality and decrease truck traffic in the neighborhoods by indicating designated areas outside of the West Oakland "freeway ring" (defined as 1-980 to the east, 1-880 to the south and west, and 1-580 to the north) for the allowed location of certain heavy impact land uses such as freight/truck terminals, truck yards, and primary waste collection centers. Can be combined with any of the new CIX-IA, CIX-IB, CIX-IC, or CIX-ID base zones.
HBX-4	Provide standards that allow live/work, work/live, and housing to compatibly co-exist in areas with a strong presence of industrial and heavy commercial activities. 'Live/work' and 'Work/Live' developments would be

	outright permitted, but 'Residential' developments would only be conditionally permitted.
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A key goal of the WOSP is to guide development and land use in a way that “supports existing businesses and industry while encouraging new development, services, and land uses that have significant job generation.”³⁷ Some of the ways the WOSP implements the General Plan are by:

- “Creating a more clearly defined boundary between industrial and residential land uses at the edge of existing residential and industrial areas; and
- Directing locations of new industrial and commercial development to provide flexibility and adaptability over time and minimize inconsistent development patterns and address longstanding land use conflicts and, relatedly, by directing more intensive development to strategically located parcels.”³⁸

E. Central Estuary Area Plan

The Central Estuary Area Plan (CEAP), including the associated design guidelines and environmental impact report, was designed to address issues related to land use policy; guide development of the area; and manage the relationship of the Central Estuary to its surrounding neighborhoods. The Central Estuary Area encompasses 19th Ave. to 54th Ave and I-880 to the Estuary and “has served as part of Oakland’s industrial employment base for over a century.”³⁹ Recent development in the area has resulted in adaptive reuse of the area’s vacant industrial buildings and warehouses into live-work units, increased public art and artisan activities, such as custom manufacturing. The aim of the CEAP is to establish harmony amongst the diverse land use (residential, heavy manufacturing, light manufacturing, etc.) in a way that supports the creation of jobs and neighborhood amenities.

F. Coliseum Area Specific Plan

The Coliseum Areas Specific Plan, adopted in 2015, will guide the development of “800 acres, bounded by 66th Avenue to the north, San Leandro Street on the east, Hegenberger Road on the south, and San Leandro Bay and the Oakland International Airport to the west.”⁴⁰ A key component of the Coliseum Plan’s vision is to “build a regionally significant jobs and employment area that expands Oakland’s ability to attract new jobs accessible to local residents, supports existing businesses, and spur economic vitality in the surrounding East Oakland area and a new generation of opportunity for Oakland’s science and technology innovation economy.”⁴¹ The Plan has five Sub-Areas (A-E) and includes the creation of several new zones that support a mixture of retail, commercial, and light industrial activities.

1. Coliseum District-3, D-CO-3 replaces the existing Industrial/Office (IO) Zone in Sub-Area B and “is intended to create, maintain and enhance areas suitable for a wide variety of retail, commercial, and industrial operations along the Oakport Street and Hegenberger Road corridors, and in region-drawing centers of commercial, and light industrial activities.”⁴²

³⁷ City of Oakland, Community & Economic Development Agency, *West Oakland Specific Plan and Related Actions*, 2014.

³⁸ Ibid.

³⁹ City of Oakland, *Central Estuary Design Guidelines*, 2013.

⁴⁰ City of Oakland, *Coliseum Area Specific Plan*, 2015.

⁴¹ Ibid.

⁴² Ibid.

2. Coliseum District-5, D-CO-5 replaces the existing IO zone in Sub-Area C and CIX-2 zone in Sub-Area D, and “permits a similar mix of light industrial and warehousing activities as is allowed under current city zoning.”⁴³
3. Coliseum District-6, D-CO-6 replaces the existing M-40 industrial zone in Sub-Area C and CIX-2 zone in Sub-Area D and is intended to attract higher-intensity commercial and light industrial land uses and development types.⁴⁴

G. Priority Production Areas

In 2019, the Association of Bay Area Governments introduced Priority Production Areas (PPAs), a tool for implementing Plan Bay Area 2050, the Bay Area’s most recent Regional Transportation Plan and Sustainable Communities Strategy (RTP/SCS). PPAs “are intended to encourage milled-wage job growth near affordable housing by supporting regionally significant industrial clusters in manufacturing, and Production, Distribution, and Repair (PDR) services.”⁴⁵ The seaport and airport were the two areas of the City adopted as PPAs, as they hold regional importance and generate a significant number of jobs and wages. Their designation will “help to position these areas for future planning and investment.”⁴⁶ Parts of West Oakland and the Coliseum Area fall into the PPAs for the seaport and airport, respectively.

VI. The Port of Oakland

In the 1960s, the Port of Oakland transformed from a mid-sized general cargo port into a container port, a transformation largely spurred by the creation of the 7th Street Terminal, a “140-acre, \$30 million container facility on landfill in the bay. The 7th Street Terminal was the brainchild of Ben Earl Nutter, executive director of shipping company, Sea-Land Service. By 1968, the terminal had catapulted Oakland to the largest port on the West Coast and the second-largest container operation in the world.⁴⁷ The shift from cargo to container port had a dramatic effect on the region. Container ports were land and capital intensive. The containers required sophisticated cranes that could lift them and place them accurately on truck trailers and complex logistic operations. The container port also “depended upon the conversion of bay waters into landfills, vast concrete aprons behind the quays that could support thousands of containers and their related equipment as well as land-based cranes.”⁴⁸ They also required much less manpower, where it once took 160 longshoremen one week to unload a ship, “with containers, 50 workers could do the same job in less than 20 hours.”⁴⁹

In his book, *Hella Town*, Mitchell Schwarzer describes how “alongside the growth of trucking on the nation’s highways, container ports contributed to deindustrialization in the United States, including Oakland.”⁵⁰ With dramatically reduced shipping costs, containerization helped companies shift manufacturing to countries with lower wages and production costs, especially in East Asia. As the manufacturing sector declined and unemployment increased throughout the 1980s, the port continued to expand its physical footprint and scale of operations.⁵¹

⁴³ Ibid.

⁴⁴ Ibid.

⁴⁵ City of Oakland, *Oakland City Planning Commission Staff Report*, 2019, https://oaklandca.sharepoint.com/:b:/s/PlanningandBuilding/EfbEJfXCJ9Kr39UZhN_tU0BZOWhrEuGepWMIbewoFvj3A?e=0cYsXD.

⁴⁶ Ibid.

⁴⁷ Schwarzer, *Hella Town*, 219.

⁴⁸ Ibid, 218.

⁴⁹ Ibid.

⁵⁰ Ibid, 221.

⁵¹ Ibid.

VII. Oakland's Modern Industrial Sector

In 2017, the City of Oakland published an Economic Development Strategy, the first formal economic development strategy to be adopted since 1997.⁵² The report showed that many of the sectors that drove Oakland's industrial growth in the earlier years are still key drivers of the economy. From 2008-2016, Healthcare and Transportation and Logistics are the City's two largest employment sectors, at 21% and 15%, respectively. Manufacturing was at 4%. The City is particularly strong in electronics and metal fabrication, food and beverage, and apparel and sewn products.⁵³ There are 33 million square feet of industrial space in Oakland, "concentrated in West Oakland near the port, around the airport, and along the I-880 corridor." Oakland had the fifth lowest industrial vacancy rate in the country in 2014 and it continues to fall. Demand is high for "small storage and manufacturing spaces, especially for food production."⁵⁴ Much of the vacant industrial real estate requires extensive improvement and "limited space availability and high prices are putting pressure on existing businesses that occupy industrial space."⁵⁵ The City has outlined commitments to helping artisans/makers, small manufacturers, and entrepreneurs address challenges, such as rising rents, so that they can innovate and grow in Oakland.⁵⁶

Following the release of the 2018-2020 Economic Development Strategy, which identified local manufacturing as an economic growth priority and increasing market interest in developing and converting industrial land, the City's Economic & Workforce Development Department commissioned a baseline study of Oakland's industrial and manufacturing sector. The baseline study shows that the industrial sector is still an important contributor to Oakland's economy. Industrial business activities in Oakland's industrial corridor employ approximately 33,553 people in nearly 1,100 businesses, accounting for 18.4 percent of total wage and salary employment in the city on less than 6 percent of the City's land.⁵⁷ Approximately 33% of industrial jobs are related to transportation / moving materials, with almost 10% of Oakland residents employed in freight-related jobs (production, transportation, & material moving occupations).⁵⁸ Nearly 80% of jobs (approximately 26,700) are middle-wage jobs available to workers with less than college education. A quarter of the workers in industrial areas are Oakland residents, majority white and male (66% and 65% respectively).⁵⁹

This baseline study is a snapshot in time of the Oakland industrial market; the data was collected prior to the COVID-19 pandemic. However, throughout the pandemic, industrial and manufacturing businesses, many of which were designated as essential businesses, have remained one of the stronger market segments, filling logistics and supply chain needs to meet demand.

⁵² City of Oakland, Economic & Workforce Development Department, *City of Oakland Economic Development Strategy 2018-2020, Appendices*, 2017, <https://oaklandca.s3.us-west-1.amazonaws.com/w/OAK066885.pdf>.

⁵³ City of Oakland, Economic & Workforce Development Department, *City of Oakland Economic Development Strategy 2018-2020*, 2017, <https://www.oaklandca.gov/documents/final-draft-economic-development-strategy-1>.

⁵⁴ Oakland, *Economic Development Strategy*.

⁵⁵ Oakland, *Economic Development Strategy*, Appendices.

⁵⁶ Oakland, *Economic Development Strategy*.

⁵⁷ Hausrath Economics Group, "Current Conditions Report: Industrial Land Uses and Business Activities in Oakland," 2020, <https://cao-94612.s3.amazonaws.com/documents/Info-Memo-Industrial-Land-Study-Current-Conditions-Final.pdf>.

⁵⁸ *Ibid.*

⁵⁹ *Ibid.*

The baseline study also identified policy concerns that may hinder sector development. The industrial sector is currently facing competition from cannabis-related uses, following the establishment of the cannabis green zone in 2018 which allows cannabis production, distribution, and cultivation firms to locate in industrial and commercial land, creating an increased demand for scarce industrial land.⁶⁰ There have been increasing land use conflicts between residential development in proximity to industrial districts and, given the housing crisis in the Bay Area, higher density residential development is a strong competitor for low density industrial activities. The city also struggles to attract new types of industries that are job-dense and have low environmental impacts on surrounding communities. Additionally, the study proposes that the decline in industrial real estate in Oakland has “not been the result of structural declines in production, distribution, construction, and other industries. It is primarily the result of growing demand for land by other uses and the pressures created by a speculative real estate market, and by land use policies and decision-making that support speculation and/or allow changes in use.”⁶¹ In West Oakland in particular, “lack of investment in West Oakland’s industrial area consistent with the Specific Plan is frequently attributed to:

- inadequate infrastructure (street patterns, rail spurs no longer in use, utilities, telecommunications)
- lack of amenities (even basic amenities like sidewalks)
- safety concerns and poor image as a business location
- environmental contamination.”

The lack of modern facilities and amenable neighborhoods may be a reason why industries like technology, advanced manufacturing, R+D, test product development, and others are growing in the Bay Area but have limited presence in Oakland.⁶²

⁶⁰ Ibid.

⁶¹ Ibid.

⁶² Ibid.