



**SPUR**

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William Gilchrist  
Director of Planning and Building at City of Oakland  
Citywide and Strategic Planning Division  
City of Oakland  
250 Frank H. Ogawa Plaza, Suite 3315  
Oakland, CA 94612

**RE: Downtown Oakland Specific Plan**

Dear Bill,

In April 2016, SPUR submitted a letter to Rachel Flynn, the then Director of Planning and Building for the City of Oakland, in which we commented extensively about the then recently released Downtown Oakland Specific Plan Alternatives Report. I am writing today to follow up on that letter with one that contains a few suggestions for the anticipated update to that report.

We noted then that SPUR was pleased that the planning department is crafting a long-term plan that treated Downtown Oakland holistically, we commended planning staff for their diligent work on the draft alternatives and for their dedication to community outreach and input. We also noted that we agreed with many of the recommendations put forth in the Plan Alternatives Report, specifically the following: streetscape renovation, ground floor activation, energizing dead zones and significant infill development. Then, however, as now, SPUR believed that that the alternatives report — which appeared to be a major downzoning — was too timid and could, if adopted, lead to Downtown Oakland missing key opportunities for growth. Though early indications are that that soon to be released Preliminary Draft Plan might correct this, we are still concerned enough to write today to propose what we are calling an equitable growth strategy for Downtown Oakland. This is a strategy that SPUR believes will enable Downtown Oakland to continue to grow, to reflect what is great about this city, and to become the sort of economic engine that Oakland needs it to be.

**Equitable growth strategy for downtown**

Downtown should generate taxes and investment that allow everyone to benefit from economic growth. Downtown Oakland offers many opportunities to generate revenue that can pay for needed services across Oakland. New workers in downtown become new customers for retailers, restaurants, bars and entertainment venues, boosting revenue from sales tax. New residential and commercial developments pay higher property taxes, as well as one-time development fees. With additional revenue from these sources, the city would be able to better provide more amenities like parks and recreation services, build more affordable housing and properly

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maintain infrastructure throughout the city. At the same time, Oakland and its leaders have to thread the needle of attracting economic growth without losing existing residents and businesses.

SPUR is skeptical of the approach that seems implicit in the plan alternatives, and that we believe could come out the equity analysis and in response to the community input, which maintains that more public benefits can be extracted by downzoning building heights and then selling height increases back in exchange for public benefits. Such downzoning and subsequent negotiations, we feel, is likely to lead to some developers simply building shorter buildings, and thus limiting downtown's potential. We do acknowledge that considerations such as historic preservation can benefit from a transfer of development rights scheme and that is only possible if developers can purchase unused air rights from a historic property. In the aggregate, however, we believe that the benefits and accrue from the community benefits negotiations processes that are set up under such a regime are limited and potentially short change the long term. To guard against this, SPUR makes the following recommendations:

1. Consider all the potential public benefits that could be paid by new development and add them together into a list of items that developers could include in their proposals as a total set of costs. These could include such things as the public art requirement, impact fees to be paid, set-aside of below market commercial space for "legacy businesses" or non-profit, art or cultural organizations, small business incubator space, historic preservation, the provision of open space.
2. Adopt a scoring system that assigns values to each benefit so that developers would be certain about the rules that they need to play by.
3. Consider the adoption of "by-right" zoning downtown so that proposed developments, which score above a certain community benefit threshold, would be automatically approved.
4. Build in triggers for adding additional public benefits over time. As SPUR recommended in our "A Downtown for Everyone" report, it would be appropriate to have a performance-based plan. One metric of performance is the market strength of development in downtown and the ability for new development to pay for added public benefits.

Downtown Oakland is at a key moment in its history and this plan will inform policy decisions for a generation or more. Now is the time to prepare a bold vision for the future that enables Oakland to grow into its role as a major regional center with significantly more employment, residents and visitors than today. This plan should be about how to shape that future in a way that achieves a downtown with significant benefits for everyone. We look forward to working with you to achieve that vision.

Sincerely,



Robert Ogilvie  
Oakland Director

Cc: Mayor Libby Schaaf

Mark Sawicki, Director of Economic and Workforce Development  
SPUR Oakland Board of Directors