

Macarthur BART Transit Village

Health Impact Assessment

Chapter 4 Retail Services

A. Summary

Residents of low-income neighborhoods in Oakland bear significant health consequences from economic segregation, particularly due to the lack of access to affordable, quality retail services. Land use development can potentially benefit community health by increasing the quality and diversity of retail services, increasing employment, and improving overall economic vitality. The following chapter provides an overview of the relationships between retail and health both with regards to service access and resident livelihood. We then provide a brief community health assessment of the Macarthur BART transit village (MBTV) proposed 30,000 square feet of ground-floor neighborhood-serving retail and community space based on reviews of planning and assessment documents, secondary data sources, and interviews with stakeholders.

Overall, we conclude that the development of mixed-use commercial corridors such as the MBTV can offer multiple health benefits to area residents improving access to essential goods and services, as well as employment and community economic investment. Outstanding challenges for the planning of the MBTV are (1) to ensure new retail meets area resident needs and (2) to protect the livelihoods and enhance the success of existing merchants and residents. Implementing a comprehensive analysis of the project's effects on retail services and the livelihood of business owners, in conjunction with the indirect impacts of these effects on human health, would be a valuable component of MBTV planning.

Health Impacts

Based on current planning and design proposals, the Macarthur BART Transit Village is likely to have the following effects on individual and community health:

1. A retail plan that includes a neighborhood grocery store is likely to improve access to quality food and nutritional health for both residents and BART commuters. This benefit will depend on the size, diversity, and affordability of the establishment and may be greatest for a full service grocery store. (Potential Beneficial Effect)
2. Development of a vibrant mixed-use commercial corridor through residential and retail development has potential to deter crime, reducing injuries and stress for residents. (Potential Beneficial Effect)
3. The transit village may contribute to the diversity of retail goods and services to the neighborhood. Via effects on pedestrian activity the project may increase resident physical activity and reduce some vehicle trips. Ensuring that new retail fills existing gaps and responds to resident needs will maximize this benefit. (Potential Beneficial Impact)
4. New retail associated with the project may provide new employment opportunities some of which may be suitable for unemployed or underemployed area residents. Job training and local recruitment may support this benefit. (Potential Beneficial Impact)
5. The project will increase retail property value and as a result, may eventually displace some of the current retail businesses, disrupting local livelihoods. (Potential Adverse Effect)

Recommendations for Design and Mitigation

1. Ensure retail development is reflective of community's wants and needs
 - a. Conduct a comprehensive retail market analysis to include a retailer and consumer survey
 - b. Establish a neighborhood retail planning council to assist in retail planning phases
2. Create a local fund via a development agreement or assess a development impact fees to:
 - a. maintain property affordability for current vulnerable businesses
3. Encourage a wide variety of healthy food establishments
 - a. Recruit a full-service grocery store to occupy retail space on the site;

- b. Alternatively, work to locate a full service grocery store on the western side of SR 24
 - c. Hold a farmers market near western side of the BART station
 - d. Require retail food stores to accept food stamps and EBT.
4. Ensure that community members have adequate and equitable access to a range of necessary, yet diverse array of goods and services.
 - a. Recruit a pharmacy, bank, and hardware store to locate at or near the site
 - b. Require retail food stores to accept food stamps and EBT.
 5. Provide tax incentives, or interest-free loans to stimulate local entrepreneurship
 - a. Provide incentives for full-service grocery store – (e.g., help pay for parking spaces)
 6. Use a development agreement or a community benefits agreement to ensure:
 - a. employment of local residents in new retail
 - b. provision of jobs with living wage and health insurance
 - c. fund workforce development programs
 7. Analyze the current labor market in terms of employment opportunities, placement, and retention and implement appropriate retail development according to workforce needs.
 8. Prohibit or limit retail establishments associated with adverse health outcomes such a liquor stores
 9. Work with the community to create strategies promoting safety, reducing crime, and elevating perceived safety among retailers and consumers.

B. Background: Health Effects of Retail Goods and Services

Land use development for community benefit requires analysis of effects, both positive and negative, on the retail environment, including an analysis of the distribution of those effects. Public health research identifies a number of relationships between retail goods and services and human health. Figure R1 illustrates four evidence-based pathways between access to retail and health. Improved **nutritional health** is a direct consequence of access to affordable, quality food. Increased **physical activity** is a direct consequence of integrating retail and residential uses. Indirectly, retail can contribute to **vibrant economy** benefiting the economic well being of individuals. Income and related socioeconomic factors (such as education, occupation, and wealth) mediating health status are well-established determinants of health.^{1 2} Indirectly, retail also facilitates **social cohesion** and **environmental quality**. The evidence supporting these relationships is described below.

Retail diversity and proximity increases physical activity

Complete neighborhoods with integrated public and retail services as well as quality pedestrian environments can increase physical activity by making everyday retail destinations accessible by walking.³ A San Francisco Bay Area study looking at non-work related trips (in four neighborhoods, controlled for SES) found that the proximity and mix of retail and having many, quality destinations and modes of transport choices are one of the most influential factors in people's decisions to walk.⁴ Physical activity has been associated with various health benefits including reductions in premature mortality, the prevention of chronic diseases such as diabetes, obesity, and hypertension, and even improvements in psychological well-being.⁵

Research also demonstrates that there are significant relationships between obesity and measures of the built environment. A recent study in Atlanta assessed resident obesity in relation to levels of density, mixed-use, and street connectivity.⁶ A 12.2% reduction in the odds of being obese was detected with an inter-quartile increase in density, mixed-use, and street connectivity measured within a 1 km radius of a residential area, providing evidence that living in a mixed use area with a variety of shops and services is a robust predictor of obesity levels in urban areas.

1 McDonough et al. 1997 Income dynamics and adult mortality in the United States, 1997 through 1989. American Journal of Public Health, 87 (9), 1476-1483.

2 Lantz et al. 1998. Socioeconomic factors, health behaviors, and mortality. Journal of the American Medical Association, 279-1703-1708.

3 Ewing, R and Kreutzer, R. Understanding the relationship between public health and the environment. A report prepared for the LEED-ND Core Committee; May 2006

4 Handy, S. 1996 Understanding the link between urban form and non-work traveling behavior. Journal of Planning Education and Research. 15:183-98.

5 Powell KE, Martin LM. Chowdhury PP. 2003. Places to Walk: Convenience and Regular Physical Activity. American Journal of Public Health. 93;9:1519-1521.

6 Frank, L. Andresen, M. Schmid, T. 2004. Obesity relationships with community design, physical activity and time spent in cars. American Journal of Preventive Medicine Volume 27 Issue 2.

Retail Food Access is linked to Nutritional Health

Diet-related disease is one of the top sources of preventable deaths among Americans,⁷ with the burden of overweight and obesity falling disproportionately on the populations with the highest poverty rates.⁸ The causes of such health disparities can be traced to economic development policies and, for low-income populations in urban areas, accessible and affordable nutritious food remains a significant unmet need.

Land use and transportation planning in the later part of the 20th century favored development and investment in suburbs rather than urban areas. Consequently, the migration of supermarkets to suburbs left corner stores with limited selection and higher prices as the main source of local groceries.^{9 10} This lack of competition maintained high prices in urban areas and forced a dependence on these small stores with significantly higher prices and less selection.¹¹ In fact, smaller retail food stores typically charge about 10% more for products than supermarkets.¹² Such stores often have less or no fresh produce available yet offer more processed foods. Currently, 85% of Oakland's food retail stores have an area less than 3,000 square feet, underscoring a need to build larger capacity for food provision.³⁴

Low-income households have negotiated these higher grocery prices under economic constraints by purchasing less expensive yet higher energy-dense foods to maintain dietary energy.¹³ In this way, obesity may be mediated in part by the inverse relationship between energy density and cost.¹⁴

On the other hand, full-service neighborhood supermarkets and farmers markets can support households to make nutritious food choices. Using proximity to a full service supermarket as a proxy of food access, public health research has demonstrated that the retail environment affects individual health. One study conducted in Los Angeles County concluded longer distances traveled to the grocery store are associated with an increased body mass index (BMI).¹⁵ For a 5'5" tall person, traveling 1.75 miles or more to get to a grocery store meant a weight difference of about 5 pounds.

Additionally, other place-based factors influence nutritional health outcomes. Whereas fast food restaurants tend to lead to low quality nutrition; full-service restaurants are associated with better diets.⁷ The 2005 San Francisco *Collaborative Food Systems Assessment* represents a comprehensive evaluation of food access opportunities and barriers in one city.¹⁶

A Vibrant Local Economy improves Individual and Community Health

7 U.S. Department of Health and Human Services. The Surgeon General's call to action to prevent and decrease overweight and obesity. Available at: <http://w.surgeongeneral.gov/topics/obesity/>

8 Carlson SJ, Andrews MS, Bickel GW. Measuring food insecurity and hunger in the United States: development of a national benchmark measure and prevalence estimates. *J. Nutr* 1999;129:510S-6S.

9 House Select Committee on Hunger. Obtaining food: shopping constraints of the poor. Committee Report. Washington DC: US Government Printing Office, October 1990.

10 Morland K. et al. Neighborhood Characteristics Associated with the Location of Food Stores and Food Service Places. *Am J Prev Med* 2002;22:23-29.

11 Williams D, Collins C. Racial Residential Segregation: A fundamental Cause of Racial Disparities in Health. *ASPH Public Health Reports*. 2001;116:404-416.

12 United States Department of Agriculture, Economic Research Service, U.S. Food Marketing System, Agriculture Marketing Report No. 811, 2002.

13 Basiotis PP. Validity of the self-reported food sufficiency status item in the U.S. In Haldeman, Va, ed. Paper presented at: American council on Consumer interests 38th Annual Conference, U.S. Department of Agriculture, 1992. Columbia, MO.

14 Drewnoski, A, Darmon N, Briand A. Replacing fats and sweets with vegetables and fruit – a question of cost. *Am J. public Health* (in press).

15 Inagami, et al., You Are Where You Shop. *American Journal of Preventive Medicine*. Volume 31 Issue 1 July 2006.

¹⁶ Collaborative Food Systems Assessment San Francisco Food Alliance: San Francisco; 2005.

Ethnically and economically integrated neighborhoods also support health by promoting employment and educational opportunities. Detrimental effects on health caused by unemployment and underemployment include higher rates of hypertension¹⁷, higher rates of depression, a tendency towards alcohol and drug abuse¹⁸, and reduced life expectancy.¹⁹

Conversely, jobs providing self-sufficiency wages and benefits such as health insurance coverage can increase timely access to health care. According to the Institute of Medicine (IOM), individuals without health insurance frequently go without necessary health care and as a consequence suffer from poorer health and are more likely to die a premature death than their insured counterparts.²⁰

Some forms of retail development may provide higher quality jobs than others. A study of retail impacts in Chicago's Andersonville district compared the economic impacts of the neighborhood's locally owned businesses with that of large chain-operated businesses. Results indicated locally owned businesses and national chains generate comparable revenue per square foot of retail space; however the benefit to the local economy is 70 percent greater for locally owned businesses than for chains.²¹

Integrating residential and retail uses can reduce community violence

Mixed-use development is a strategy for reducing community violence and increasing perceived safety.²² Retail development in the context of mixed-use design generates natural public surveillance. Reduced crime, in turn, improves levels of *perceived* safety. Fear of crime is also strongly related to the feeling that one is part of the community. A sense of being a part of a community results in less fear,²³ and a vibrant neighborhood retail environment provides one type of setting for social interaction.

Retail accessible via walking Improves Environmental Quality and Promotes Physical Activity

Relying on automobiles to access day to day retail needs has adverse consequences on health via air pollution and noise levels. (Refer to the chapters on Transportation and Noise, and Air Quality) Such effects are particularly problematic in high auto-use regions. In fact, researchers have correlated sprawl with health problems such as breathing difficulties, high blood pressure, headaches and arthritis.²⁴ However, ensuring complete neighborhoods with adequate retail goods and services in close proximity to residents' homes can reduce reliance on automobiles for day to day needs.

Some Retail Uses Are Associated With Adverse Health Outcomes

Some types of retail also have greater potential to actually have adverse effects on one's health. Types of retail, such as liquor and food stores, are more prone to crime issues than others. These

17 Ferrie 2004

18 Khlal 2004

19 Wadsworth 1999

20 Institute of Medicine (IOM) 2004

21 Civic Economics, "The Anderson Study of Retail Economics, Chicago Illinois" October 2004. Available at: <http://www.andersonvillestudy.com/html/reports.html>

22 Crime Prevention Through Environmental Design Guidebook. October 2003.

Singapore National Crime Prevention Council. [http://www.ncpc.gov.sg/pdf/CPTED Guidebook.pdf](http://www.ncpc.gov.sg/pdf/CPTED%20Guidebook.pdf). Accessed November 2006.

23 Schweitzer JH, JW Kim, and JR Mackin, The Impact of the Built Environment on Crime and Fear of Crime in Urban Neighborhoods, Journal of Urban Technology, Volume 6, Number 3

24 Sturm, R. Cohen D. Suburban sprawl and physical and mental health. October 2004

businesses spend more on security than their counterparts from more affluent areas and also experience greater revenue losses due to crime costs. The density of liquor stores in an area is strongly associated with assault rates.²⁵ In Oakland, convenience stores located in low-income neighborhoods experience both shoplifting and break-ins nearly nine times more when compared to stores in Rockridge, one of Oakland’s more affluent areas. Crime and safety concerns commonly create anxiety among current business owners and create reluctance among potential retailers; thereby detracting commercial revenue for low-income neighborhood economies.

Additionally, the presence of fast-food restaurants in one’s neighborhood is also related to diet-related disease rates.²⁶ The table below organizes the types of retail into three categories with a list of typical examples. Those placed next to a shaded box indicate the kinds of retail presenting pathways to negative health costs.

Table RS.1 Retail Categories and Examples Related to Health

<i>Food Retail</i>	<i>Other Retail Goods</i>	<i>Services</i>
<ul style="list-style-type: none"> <input type="checkbox"/> Full-service Supermarket <input type="checkbox"/> Small Grocery Stores <input type="checkbox"/> Convenience Stores <input type="checkbox"/> Farmers markets <input type="checkbox"/> Restaurants <input type="checkbox"/> Cafes <input checked="" type="checkbox"/> Fast Food Establishments <input checked="" type="checkbox"/> Liquor Stores <input checked="" type="checkbox"/> Bars 	<ul style="list-style-type: none"> <input type="checkbox"/> Pharmacies <input type="checkbox"/> Bookstores <input type="checkbox"/> Specialty Shops <input type="checkbox"/> Hardware Stores <input type="checkbox"/> Auto Supplies 	<ul style="list-style-type: none"> <input type="checkbox"/> Dry Cleaners <input type="checkbox"/> Laundromats <input type="checkbox"/> Banks & Credit Unions <input type="checkbox"/> Check Cashers <input type="checkbox"/> Beauty Salons <input type="checkbox"/> Hotels/Motels <input type="checkbox"/> Maintenance Services <input type="checkbox"/> Entertainment <input type="checkbox"/> Auto Repair

C. Relevant Established Standards and Health Objectives

Promoting physical activity, reducing obesity, promoting mental health and well-being, and promoting healthy environments are all leading health objectives included in the US Department of Health and Human Services report Healthy People 2010.²⁷ The public health service recommends that adults get at least 30 minutes of moderate physical activity each day. While walking to nearby retail can increase physical activity, no public health standards exist for access to local retail services. Research has found that a reasonable amount of time for people to get to food stores by foot is about 1/4 mile, or within a 5 minute walking distance.²⁸ It is also reasonable to expect that most people would walk ¼ mile to access to other essential types of retail services, such as a laundromat, pharmacy, or a bank ATM.

²⁵ Gruenewald et al., *Addiction*. 2006: 101:666-667.

²⁶ Morland K. et al. *Neighborhood Characteristics Associated with the Location of Food Stores and Food Service Places*. *Am J Prev Med* 2002;22:23-29.

²⁷ 16 U.S. Department of Health and Human Services. [2001]. *The Surgeon General's call to action to prevent and decrease overweight and obesity*. [Rockville, MD]: U.S. Department of Health and Human Services, Public Health Service, Office of the Surgeon General; Available from: U.S. GPO, Washington.

²⁸ Dunkley, B. and A Helling, D. Sawicki. *Accessibility Verses Scale: Examining the Tradeoff in Grocery Stores* *Journal of Planning and Educational Research* (2004) 23(4): 387-401.

The San Francisco Department of Public Health recently created the “Healthy Development Measurement Tool” as a method of assuring “accountable, evidence-based and health-oriented planning and policy” making around land-use development. While the Tool represents voluntary guidance, the following development targets may be applicable to retail development in other jurisdictions:²⁹

- Residential development projects are sited in areas where retail services³⁰ should be within 1/2 mile of residence for (*Objective Pl.6*):
 - Min: 6 out of 12 common services
 - Benchmark: 9 out of 12 common services
 - Max: 12 out of 12 services
- New residential development has a full-service grocery store/supermarket within 1/2 mile (*Objective Pl.6*)
- Proportion of jobs paying entry-level wages is greater than or equal to the self-sufficiency standard is (*Objective HE.1*):
 - Min: 60% of new jobs
 - Benchmark: 75% of new jobs
 - Max 100% of new jobs
- Proportion of jobs providing health insurance, sick days, and retirement benefits (*Objective HE.1*):
 - Min: 70% of new jobs
 - Benchmark: 80% of new jobs
 - Max 100% of new jobs
- New development supports the retention and development of locally owned businesses by:
 - Min: giving priority to locally owned
 - Benchmark: providing favorable rent or lease terms to locally owned businesses as a community benefits associated with a development incentive
 - Max: creating permanent favorable lease terms

D. Existing Conditions and the Current Retail Context

Labor Market Conditions in Oakland

According to the 2000 Census, 10% of Oakland’s labor force was unemployed and 36% of those over 16 years of age are not in the labor force. In terms of education, 30% of those who are 25 years old and older have a bachelor’s degree or higher.³¹ Notably, in four out of the last seven years, Forbes magazine ranked Oakland within the top 15 cities for business, with 49% services; 10% retail 9% manufacturing.³²

Project Area Retail Environment

UCBHIG mapped existing neighborhood retail services available within a quarter mile radius of the MBTV site (refer to Figure R3). We found a significant 44% of services indicating neighborhood completeness are not currently met within the quarter mile area. Area retail gaps and public service gaps include: bank/credit union, hardware store, pharmacy, post office, and supermarket.

²⁹ Farhang, L and Bhatia R. San Francisco DPH Healthy Development Measurement Tool. June 2006.

³⁰ Key services include, but are limited to: bank, produce market, convenience store, supermarket, hardware store, cleaner, auto repair, restaurant, farmer’s market café, private childcare.

³¹ US Census 2000

³² City of Oakland, Community Economic Development Agency (CEDA) "Doing <http://www.business2oakland.com>

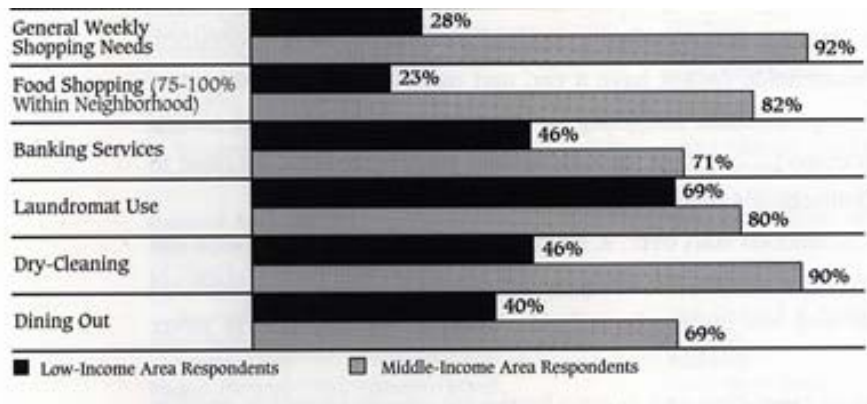
Retail maps of the three nearest census tracts identified similar gaps (See Figure R4). UCBHIG was not able to create maps for neighborhood completeness for a half mile radius which might reveal a greater diversity of services.

Inequalities in Retail Access by Neighborhood

In 1993 the Consumers Union (CU) published *The Thin Red Line: How the Poor Still Pay More*, detailing the disparities between low-income and middle-income neighborhoods in obtaining basic goods and services.³³ In a detailed analysis of the retail environment in Oakland, CU compared three low-income neighborhoods in Oakland (West Oakland, Fruitvale, and Oakhurst) with Rockridge, a middle-income neighborhood, by conducting both retailer and consumer surveys. The results indicated low-income residents were not getting basic needs for goods services met close to their homes. Furthermore, despite the significant amount spent by low-income consumers, their preferences for commercial amenities were not being prioritized.

Consumers Union found low-income consumers did not patron local neighborhood business due to high prices, low quality and selection, as well as lack of availabilities. Instead, they often traveled outside their own neighborhoods to meet these needs, unlike mid-income neighborhood residents. Thus, the loss of potential retail dollars for these low-income neighborhoods is significant, while the middle-income retail economy receives a larger portion of revenue from poor consumers. These are all indicators of lost opportunities for economic development and the continued unavailability of essential goods and services in already impoverished areas. In fact, Rockridge has between three to five times the level of retail access and choices as do the three other poor areas of Oakland.

Table RS.2 How often are basic needs met in the neighborhoods?



³³ Troutt, David D. *The Thin Red Line: How the Poor Still Pay More*. San Francisco, CA: West Coast Regional Office, Consumers Union; 1993.

Table RS.3 Number of stores by neighborhood

Type of Store	Rockridge	W. Oakland	Fruitvale	Elmhurst
Supermarkets	4	1	2	2
Pharmacies	3	0	3	0
Restaurants	26	3	22	10
Fast Food	0	2	7	3
Banks	4	0	2	1
Check Cashers	0	2	6	2
Liquor	2	7	8	10
Grocery	4	1	11	9
Speciality Foods	13	0	1	0
Laundromats	1	2	4	1
Dry-Cleaners	6	1	4	4
Hair & Nails	10	2	10	10
TOTALS	73	21	80	52

Additional findings from CU's study highlight both the constraints and resources to business in Oakland's low-income and middle-income neighborhoods, as summarized in Table R4 below.

Table RS.4 Constraints and Opportunities for Expanding to Retail Services

Oakland's	Resources to business	Constraints to business
<i>Low-income Neighborhoods</i>	<ul style="list-style-type: none"> ▪ Loyal customer base ▪ Virtual neighborhood monopoly 	<ul style="list-style-type: none"> ▪ High local unemployment ▪ Credit squeeze by lenders ▪ Inadequate police patrols ▪ High sales and liquor taxes ▪ Deterioration of local malls bank ▪ Locations
<i>Middle-income Neighborhoods</i>	<ul style="list-style-type: none"> ▪ Access to business loans ▪ Insurance availability ▪ Local police ▪ Local marketing agents 	<ul style="list-style-type: none"> ▪ Parking ▪ Competition with other stores

Source: Consumers Union 1993

Federal Food Assistance Oakland has a considerably high percentage of eligible residents not enrolled in the Food Stamp program, with 78%, or \$54 million in unclaimed benefits in 2003.³⁴ Though many food retailers accept food stamps in the Electronic Benefits Transfer form, most of these retailers operate convenience stores, which often do not carry an adequate selection of healthy foods to their patrons.

Oakland Farmers Markets Oakland currently operates nine farmers markets throughout the city primarily during the weekend. Importantly, all current farmers markets accept WIC and Senior Farmer's Market checks and three accept food stamps/EBT. The following table shows the location and date of each farmers market.

Table RS.5 Farmers Markets in Oakland

<i>Name</i>	<i>Location</i>	<i>Day, Time, Seasonality</i>
East Oakland Faith and Deliverance Center	73rd Ave. and International Blvd.	Fridays, 10-1 (April-Nov)
East Oakland Senior Center	9255 Edes Ave. at Jones Ave.	Wednesday, 10:30-2:30 (Year Round)
Fruitvale Transit Village	34th Ave and International Blvd.	Sundays, 10-3 (Year Round) *Accepts EBT/Food Stamps
Grand Lake	Grand Ave. and MacArthur Blvd.	Saturdays, 9-2 (Year Round)
Jack London Square	End of Broadway at Embarcadero	Sundays, 10 - 2 (Year Round) Wednesdays, 10-2 (May-Oct)
Millsmont	MacArthur Blvd., between Seminary & 61st Ave.	Saturdays, 10 - 2 (May - Oct) *Accepts EBT/Food Stamps
Montclair Village	Moraga Ave. and La Salle Ave.	Sundays, 9 - 1, (May -Oct)
Old Oakland	Ninth St. at Broadway	Fridays 8 - 2 (Year Round)
West Oakland / Mandela Farmers Market	Mandela Pkway at 7 th St., near BART	Saturdays, 10 - 4 (Year Round) *Accepts EBT/Food Stamps

All farmers' markets accept WIC and Senior Farmers' Market Checks

Source: Oakland Food System Assessment Report, 2006

Health Outcomes Related to Retail

Oakland has a significantly higher rate of hospitalizations caused by diabetes than the rest of Alameda County, with a disproportionate mortality burden falling on African American and Latino residents.³⁵ Further, 14% of the children in Alameda County are obese.³⁶

³⁴ *ibid.*

³⁵ Oakland Health Profile 2004, Alameda County Public Health Department Community Assessment, Planning, and Education Unit. Available at: <http://www.acphd.org/USER/data/>

³⁶ Unger, Serena and Wooten, Heather. 2006 "Oakland Food Systems Assessment Report" Mayor's Office of Sustainability, Oakland. Accessed at <http://oaklandfoodsystem.pbwiki.com/>

E. Health Impact Analysis

As part of the retail health impact analysis UCBHIG aimed to answer the following questions through a review of existing planning documents for the project, interviews with local stakeholders and key informants, and use of secondary data to construct maps:

1. Will the transit village provide or contribute to the area's unmet needs for retail goods and services?
2. Will an adequate mix of goods and services be accessible within walking distance?
3. Will new area residents have adequate access to quality food resources?
4. Will current retail owners be able to thrive given planned environmental changes?

In general, while existing data allows for an assessment of retail needs (see existing conditions section above), project plans are currently not specific or certain enough to support definitive answers to the above questions.

- 1. Will the transit village provide or contribute to the area's unmet needs for retail goods and services?**
- 2. Will an adequate mix of goods and services be accessible within walking distance?**

A preliminary answer to these two questions can only be based on the project vision and planning activities. The City of Oakland's Community and Economic Development Agency's (CEDA) vision for the MBTV retail is one that will serve as a community benefit, more than as a source of profit. As such, CEDA envisions that retail will include basic neighborhood services as well as services for BART riders. These goals stand in contrast to the recently constructed Fruitvale Transit Village project, which aimed to create a "destination" retail center.³⁷ Oakland's Redevelopment Agency has also initiated streetscape improvements on Telegraph Avenue in order to make it more pedestrian friendly and encourage retail use.³⁸

CEDA staff have also identified several challenges to the above objectives. These include³⁶:

- Linking retail corridor - distance from BART station to Temescal District, a strong retail area;
- Creating a distinct retail district in the project area along Telegraph Avenue;
- Achieving a balance between chain and non-chain retail;
- Obtaining a commitment from a grocery-supermarket.

As the early phases of project planning unfold, retail brokers and recruiters will be determined. Based on data described in the existing conditions section above, retail planning decisions could prioritize unavailable and essential retail needs which, up til now remain unavailable, including a bank/credit union, fire station, hardware store, pharmacy, post office, and supermarket.

³⁷ Kathy Kleinbaum of CEDA, personal communication November 14, 2006.

³⁸City of Oakland, Community Economic Development Agency (CEDA)"Doing Business in Oakland". <http://www.business2oakland.com>

Table RS.6 Mac Arthur BART Neighborhood Trade Area Demographics

Average Annual Household Income	\$50,000
Average Household Size (persons/unit)	2.2
Median Age	34
Race/Ethnicity	
African American	46%
White	38%
Hispanic	10%
Asian	10%
Other	6%

Source: MapInfo-Thompson 2004

In terms of available public measures to building a vibrant retail environment, Oakland offers the following forms of financial assistance for local business owners:³⁹

- *Downtown Tenant Improvement Grants* cover 50% of tenant improvement costs (caps at \$10/ square foot) available to eligible entertainment and retail businesses in targeted areas of downtown. Also covers \$5,000 of interior design/architecture fees.
- *Façade Improvement Grants* offer free architectural assistance and 50% matching grants up to \$20,000 (downtown and parts of central Oakland) or \$10,000 (specified neighborhood commercial districts) to property and business owners for eligible projects. Grant funds can be used to rehabilitate and repair exterior commercial building facades and exterior improvements. The city sends out info to property owners and retail tenants annually or every two years to remind them of their eligibility.⁴⁰
- *Neighborhood Commercial Revitalization Program* (NCR) partners with small businesses, property owners and community organizations to improve the physical and economic conditions of neighborhoods.
- *Business Loans* - Oakland Business Development Corporation concentrates on new small business owners. Small loans for small businesses are available through Oakland Merchants Leadership Forum (OMLF), a non-profit. The City no longer offers small loans directly, but does provide money to OMLF and now refers businesses needing financial assistance to OMLF.⁴¹

3. Will new area residents have adequate access to quality food resources?

In 2004, a supermarket analysis conducted for the MBTV site rated the site characteristics as “average overall for supermarket use”.⁴² More specifically, the report suggested that:

... a great diversity of grocery operators could be attracted to the site, given the synergy this complex will generate both as a housing and BART transit center. While some twenty grocery operators are widely dispersed throughout the area and accounted for in this analysis, MacArthur BART Transit village serves to fill a void for a food operator on Telegraph Avenue... Subsequently, any major supermarket chain or independent operator wishing to deploy either a conventional or concept store at the site will benefit from the lack of nearby competition in this portion of the trade area.

³⁹ City of Oakland, Community Economic Development Agency (CEDA) “Doing Business in Oakland”. <http://www.business2oakland.com>

⁴⁰ Kathy Kleinbaum of CEDA, personal communication November 14, 2006.

⁴¹ Ibid.

⁴² Source MapInfo-Thompson June 2004 (TA#1455-001) Proposed Supermarket MacArthur BART Transit Village

The report confirmed the need for grocery retail in the project area yet identified challenges for locating larger (30,000-50,000 square feet) supermarkets involved the trade impacts from “healthy” grocers in Oakland, Berkeley Bowl, Whole Foods, and Market Hall. One major supermarket chain, Safeway, already has a store located nearby at Broadway and Pleasant Valley. Most supermarkets prefer a distinct space and call for a parking ratio requirement of 4/100 square feet (240 spaces in this case), which makes it a costly site. Additional space for parking would likely involve trade-off with housing or other components of the development. Thus, the analysis determined a smaller (20,000square feet), full service market would be ideal for the MBTV site. Largely due to the BART riders and new employees resulting from the project, the analysis forecasts peaks in business during breakfast and lunch hours; and therefore suggests a ‘to go’ prepared foods section, juice bar and coffee station, sushi and deli stations.

According to CEDA staff, members of the community advisory committee have expressed preference for a smaller food retailer such as a Trader Joes, rather than a supermarket since they are “more pedestrian-oriented and have less of a traffic impact”. However, as there are plans to open a Trader Joe’s in the Grand Lake neighborhood, a Trader Joe’s at Mac Arthur BART appears less likely.⁴³

4. Will current retail owners be able to thrive given planned environmental changes?

The MBTV development objectives—to stimulate a vibrant, diverse retail corridor that serves community and commuter needs—present some potential conflicts with the needs of existing businesses. Increasing retail diversity may increase perceived safety and help provide the mix of retail needed for a complete, walkable neighborhood. However, a potential negative consequence of retail success might include increased rents. CEDA staff describe the process and the trade-offs involved³⁶:

Voices from behind the Counter

As far as how the project will affect the business – well, during the construction phase, my customers are going to be disturbed by the noise.

The project scares me. This business is our bread and butter, it's the only thing my family has.

Sometimes new stores bring more crime. As long as there is no crime and there's security, it's ok.

In general, with the success of the Temescal area, rents are already increasing. Changes in retail rents will depend largely on a property-by-property basis but businesses under existing leases will not be affected by increasing property value. However, when rents increase, you also get an increase in retail diversity and retail quality... The project hopes to acquire a few privately owned sites from a few existing businesses. We hope to internally relocate these businesses, but this may be challenging due to constraints posed by construction timing.

The above statement acknowledges a potential adverse consequence of the project and, notably, one that is directly a result of the project successfully meeting its objectives.

Another method to assess effects on existing retail businesses is to survey them directly. UCBHIG is not aware of any surveys conducted to assess the views of existing retailers about the MBTV project. In order to assess retailers’ views qualitatively, UCBHIG conducted semi-structured interviews with five local business operators. We attempted to capture a range of business types: bookstore, motel, florist, liquor/convenience store, and hair braiding salon. We approached 5 different types of retail establishments in the MacArthur Bart Transit Village

⁴³ Kathy Kleinbaum of CEDA, personal communication November 14, 2006.

(MBVT) area and engaged workers or owners in open-ended interviews regarding their perceptions of the development plans. Specifically, we asked about:

1. Retailers awareness of the development plans
2. How their businesses might be affected
3. How they think the neighborhood will be affected
4. How many years their business has been in operation in its current location.

From our initial interviews, we discovered the typical retail profile reflecting well-established businesses ranging from 25 - 75 years of existence in their current location. Most stores are minority-owned and family-operated establishments. Notably, the one retailer who was unaware of the MBTV plans was also the only recent immigrant business owner. The majority of the retailers also expressed a desire to be kept informed of the project developments.

Local business owners expressed these views regarding the project

Perceived positive impacts of development	Perceived adverse impacts
<ul style="list-style-type: none"> • Improved access to area for more people • Potential increase of business as a result of improved access 	<ul style="list-style-type: none"> • Development will increase crime • Displacement and lack of contingency options • Lack in prioritizing low-income people and families • Increase in pollution and traffic • Noise from construction phase may avert customers • Disdain for large, corporate chains overtaking local retail

Several of the interviewed retailers expressed a lack of faith in a fair distribution of the city's economic development resources. Some felt the MacArthur area's needs are a low priority. One of the retailers we interviewed pointed out the streetscape improvements on San Pablo and on Broadway, with planters and more lighting. "Why doesn't that happen on MacArthur? This isn't the safest area. Peoples' cars are always getting broken into... Sometimes our customers at the motel feel nervous in the area, so I tell them they shouldn't stay here if they're not comfortable. It's important to always feel comfortable where you're staying."

These interviews represent a small, convenience sample and not the comprehensive and broadly representative survey we would have preferred to conduct. Due to time and resource constraints, UCBHIG is unable to carry out such a full-scale assessment. Nonetheless, such a surveying process would serve as a vital way to accurately understand retailers' current situations and be a better predictor of how the project would affect them as well as navigate planning towards the best ways to manage such critical actors and forces in the MTBV retail development.

Despite constraints, the MBTV planning process should anticipate and thoroughly consider the repercussions of the project. While this often requires time and financial investment, it is a worthwhile initial expense; otherwise, over time irreversible health trends due to declining livelihoods and commerce may be imminent.

F. Recommendations for Design and Mitigation

Promoting a vibrant economy through mixed-use development has potential to improve overall health in the MacArthur BART project neighborhood. Creating a mixed-use retail corridor can serve as a vehicle towards improving access to goods and services, economic opportunities, and

livelihoods. The retail development plans in its current state presents prospects for improving health and economic stability in the MBTV area. While the project proposes some essential retail services, there are ways to more thoroughly ensure opportunities for enhanced human health achievable via retail development. The following recommendations would bring the project measures closer towards one which would provide such improvements:

1. Ensure retail development is reflective of community's wants and needs
 - a. Conduct a comprehensive retail market analysis to include a retailer and consumer survey. We recommend utilizing mail out surveys as the best way to reach a representative portion of the local population. If surveying is not possible, we recommend using findings from Consumers Union's extensive surveying of Oakland retailers as a guide to planning the retail services for MBTV.
 - b. Establish a neighborhood council to include local retailers and residents to assist in retail planning phases.
 - c. Conduct a comprehensive retail market analysis focusing on
 - determining consumer profiles:
 - Who currently shops in the area and why?
 - Who is not shopping here and why?
 - What stores do consumers want?
 - trade area projections
 - Demographics
 - Consumer spending
 - Underserved populations
2. Create a local fund via a development agreement or assess a development impact fees^{44 45} to:
 - a. maintain property affordability for current vulnerable businesses at risk for displacement due to rent inflation.
3. Encourage a wide variety of healthy food establishments
 - a. Recruit a full-service grocery store to occupy retail space on the site;
 - b. Alternatively, work to locate a full service grocery store on the western side of SR 24
 - c. Hold a farmers market near western side of the BART station
 - d. Require retail food stores to accept food stamps and EBT.
4. Ensure that community members have adequate and equitable access to a range of necessary, yet diverse array of goods and services.
 - a. Recruit a pharmacy, bank, and hardware store to local at or near the site
 - b. Require retail food stores to accept food stamps and EBT.
5. Provide tax incentives, or interest-free loans to stimulate local entrepreneurship⁴⁶
 - a. Provide incentives for full-service grocery store – (e.g., help pay for parking spaces)
6. Use a development agreement or a community benefits agreement to ensure:
 - a. employment of local residents in new retail
 - b. provision of jobs with living wage and health insurance
 - c. fund workforce development programs

44 Policy Link "Exactions" Accessed at <http://www.policylink.org/EDTK/Exactions/>

45 Impact fees serve as a means to reinforce government responsibility to economic and social equity in regulating land use by requiring new development to bear a fair burden of the public costs generated by their project. Community benefit impact fees in the form of development agreements are a possible mitigation, which have potential to offset some of the negative consequences from the project. However, opponents of impact fees assert that such fees hinder local economic development and deter job growth, though various studies observed evidence of the fees supporting job growth and facilitating economic development.

46 San Francisco Food Alliance has called for "Food Retail Enterprise Zones" in which retailers providing nutritious foods would be exempt from city taxes. <http://www.sffoodsystems.org/pdf/FSA-online.pdf>

7. Analyze the current labor market in terms of employment opportunities, placement, and retention and implement appropriate retail development according to workforce needs. As in the Fruitvale development project, collaborate with Urban Strategies Council or another NGO to outline and inventory workforce development resources and services.⁴⁷
8. Regulate retail establishments associated with adverse health outcomes; prohibit liquor stores and limit unhealthy food establishments.⁴⁸
9. Work with the community to create strategies promoting safety, reducing crime, and elevating perceived safety among retailers and consumers.

⁴⁷ For details on the Fruitvale workforce analysis, refer to A Preliminary Scan of Workforce Development Programs Serving the Lower San Antonio Neighborhood by Urban Strategies and also Abt Associates' February 2005 report, Picking Workforce Development Targets: A Tool to Identify Opportunities for Better Employment Outcomes.

⁴⁸ Numerous cities in California, such as San Francisco, Los Angeles, Berkeley, Calistoga, and Davis, have placed restrictions on unhealthy food establishments to promote healthy food retail environments in their communities.

Figure R1. Mixed-use commercial corridors improve a variety of health outcomes through multiple pathways.

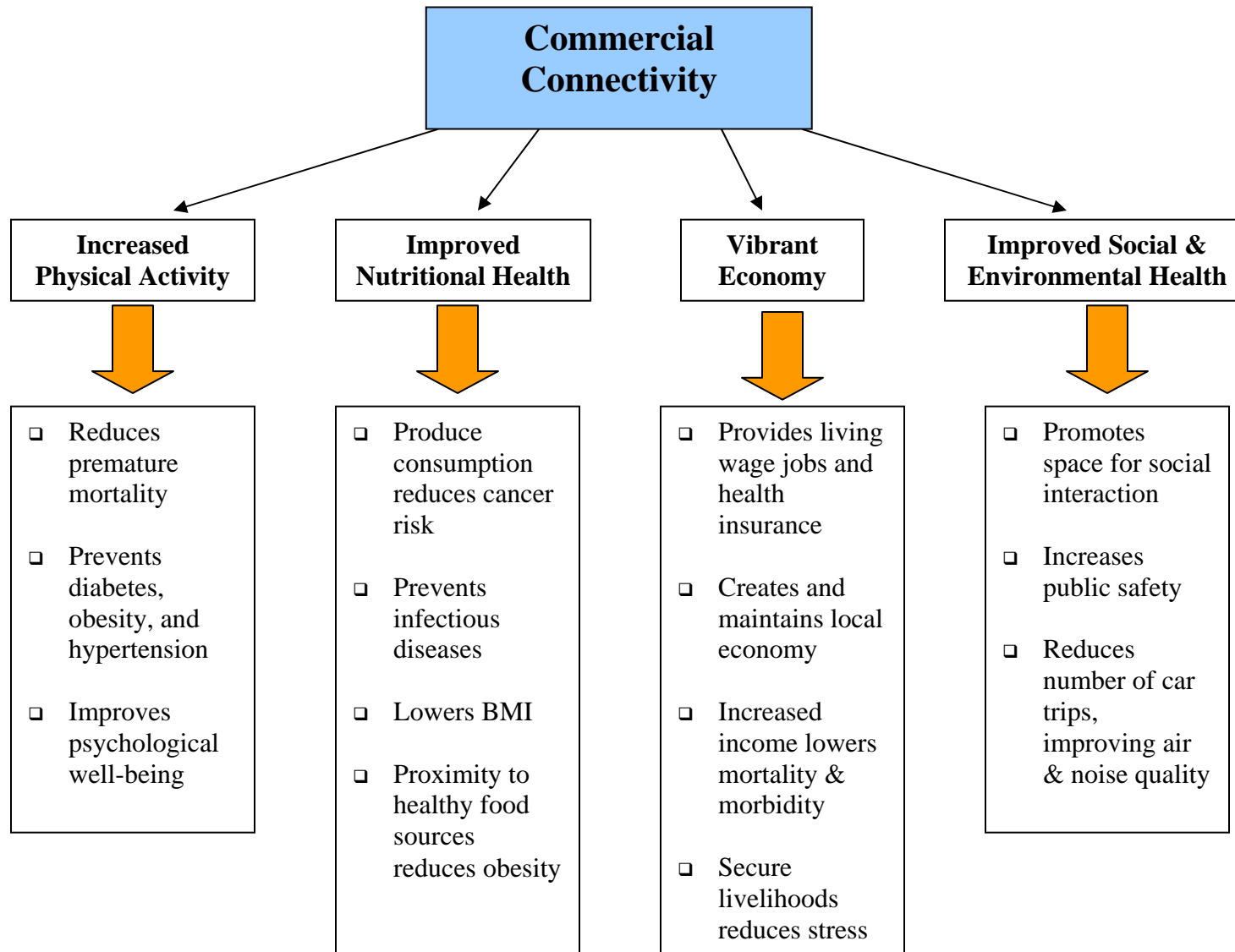


Figure R2. The pathways from retail development to health - MacArthur BART Transit Village .

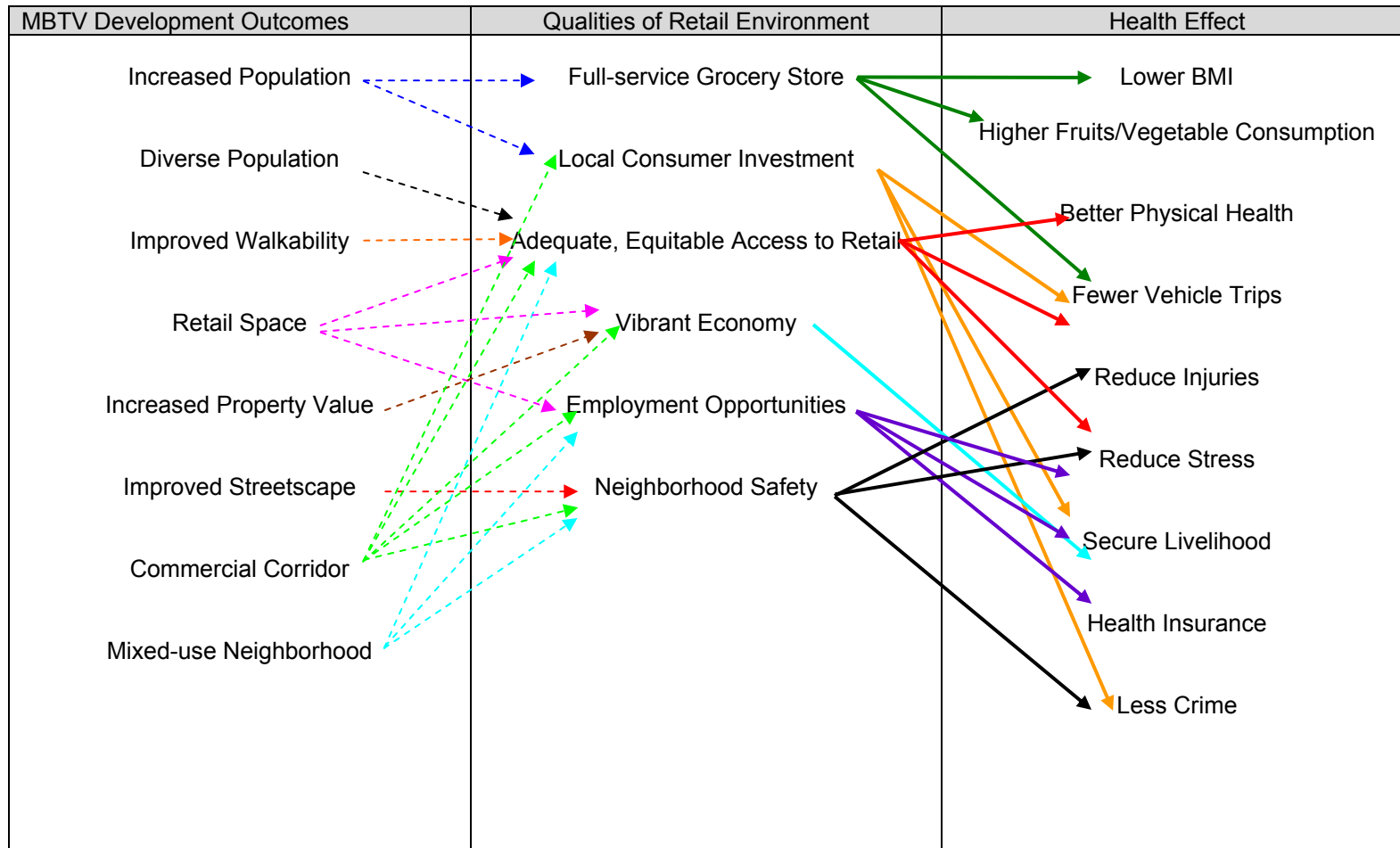
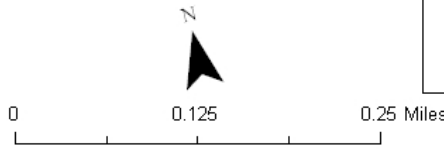
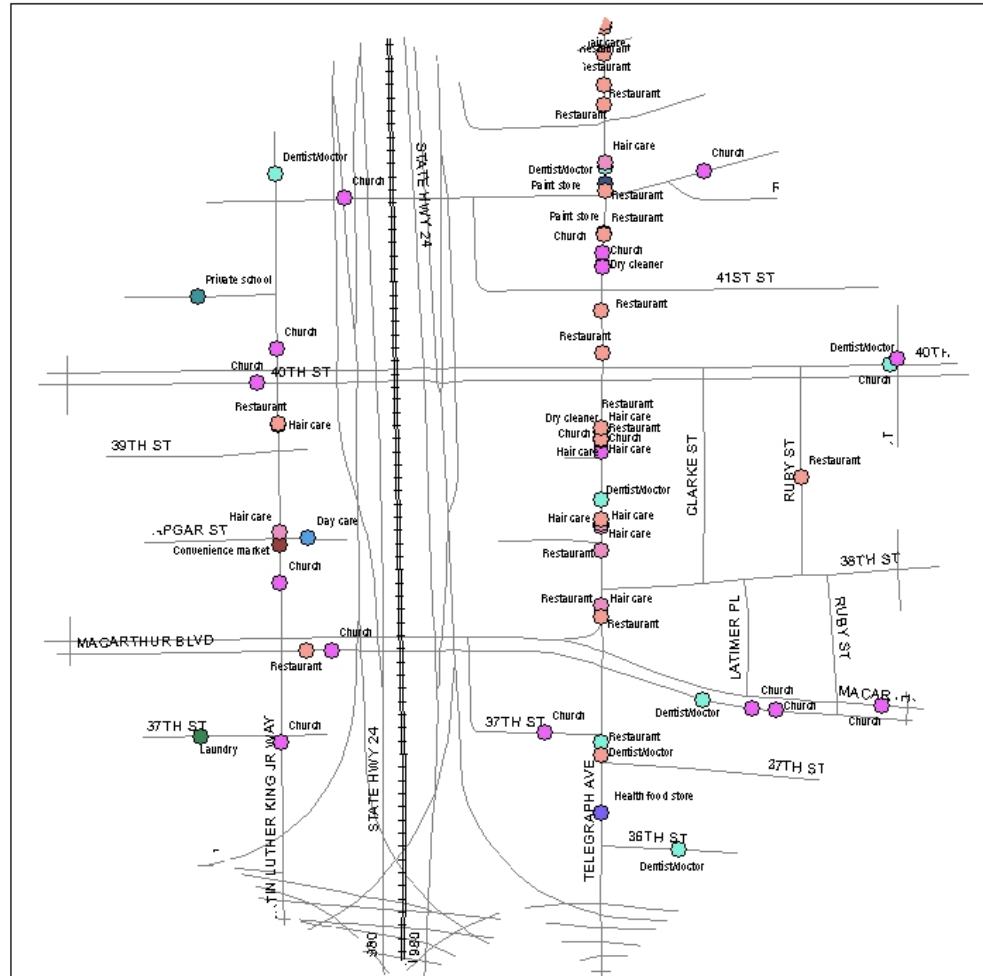


Figure R3

MacArthur BART - 1/4 Mile Neighborhood Completeness

Neighborhood Service	MacBART
Bank	no
Church	yes
Convenience grocery	yes
Day care	yes
Dry clean	yes
Fire station	no
Hair care	yes
Hardware	no
Laundry	yes
Library	yes
Medical/dental office	yes
Nursing home	no
Park	no
Pharmacy	no
Post office	no
Restaurant	yes
School	yes
Supermarket	no
Percentage	44%



Retail Category

- Auto Retail
- Bars
- Entertainment
- Grocery
- Grocery-Liquor
- Hotels/Motels
- Maintenance
- Personal Services
- Professional Services
- Restaurants
- Restaurants-Fast Food
- Specialty Retail

MacArthur BART Area Retail

