



# The Economic Impact of Proposed Developments at Howard Terminal

**KEY FINDING:** The proposed developments at Howard Terminal will generate \$7.3 billion in economic benefit over their first 10 years for the City of Oakland and support 6,119 jobs.

## Introduction

The Oakland A's planned new stadium at Howard Terminal adjacent to Jack London Square can be a transformational investment for the City of Oakland. Our own analysis, conducted in June of 2017, found that a new downtown stadium alone could provide \$3 billion of economic benefit to the city over 10 years in the form of new jobs and increased spending. In addition, we found that a proposed gondola system to carry passengers from Old Oakland to Jack London Square would generate \$685 million more in economic benefit for the city over 10 years.

Like many sports franchises that have recently built new stadiums, the Oakland A's are also planning additional developments surrounding the stadium at Howard Terminal. These developments include retail spaces, accommodation facilities, office buildings, residential buildings, and a public performance venue. This analysis seeks to quantify the impacts of these investments on the City of Oakland and Alameda County.

## Proposed Developments

Both the Howard Terminal site and the former Coliseum site have substantial room for development, are located within the region's core, and have good access to highways and public transportation. At full build-out capacity, the A's estimate that 6.6 million square feet

will have been added, with 5.4 million square feet surrounding the ballpark at Howard Terminal. The figure below shows proposed square footages by use type that were used in this analysis.

### Proposed Development Square Footage by Site and Use-Type Howard Terminal

Use	Proposed Development (sq. ft.)
Ballpark	1,200,000
Residential	3,300,000
Office	1,500,000
Retail/Cultural/Civic	270,000
Hotel	280,000
Performance Center	50,000
<b>Total</b>	<b>6,600,000</b>

Source: Oakland A's

## Comparison to Similar Developments at Maximum Build-Out

The developments as proposed would be one of the largest projects ever completed in the East Bay, and certainly one of the largest developments currently planned in the entire Bay Area.

## Comparison to Similar Developments

Project	Total Approximate Square Footage (All uses, completed or planned)
CityPlace Santa Clara	9,160,000
San Francisco Shipyard (Hunters Point)	8,000,000
<b>Oakland A's (at Howard Terminal)</b>	<b>6,600,000</b>
Treasure Island	6,500,000
Brooklyn Basin	3,000,000
Golden State Warriors (at Mission Bay)	1,500,000
Mission Rock (San Francisco Giants)	1,500,000
Alameda Point	1,200,000
Salesforce Tower	700,000

**Note:** Estimations are based on the assumption of 750 square feet per housing unit

## Economic Impacts

The following analysis estimates the ongoing impacts of the proposed developments, excluding the one-time impacts of construction. Construction impacts are often quite large, but only occur for a short period of time. This analysis finds the ongoing impacts of the proposed developments will be significant for the City of Oakland and the Bay Area as a whole.

### Estimating Employment Density

In order to produce total economic impact figures for the city, it was first necessary to determine the number of employees that would be directly employed by the businesses located within the developments at full build-out. Every six years, the U.S. Energy Information Administration conducts a survey to estimate the

energy consumption of commercial buildings across the nation known as the Commercial Buildings Energy Consumption Survey (CBECS). The CBECS estimates a wide range of metrics relating to building energy use and, importantly for this analysis, total and average floorspace for 14 industries, the number of workers utilizing that floorspace on average, and the average hours of operation per day.

Using the CBECS-calculated mean square feet per worker by industry together with the proposed square footages allowed for an estimation of total on-site (direct) employment, which is shown to the left.

### Ongoing Impacts

To calculate economic impacts, we use industry-specific multiples provided by the U.S. Bureau of Economic Analysis. Using the Regional Input-Output Modeling System (RIMS II), which tracks a dollar's movement through a regional economy, allows us to estimate the full economic impact of spending within a certain industry. These models also take into account "leakage," which happens when spending occurs outside of the region.

We take these multiples—which tells us that for every \$1 in direct spending, an additional percentage is spent on housing, healthcare, food, retail, and other items within the City of Oakland. Using these multiples together with the previously determined employment densities yields a total yearly economic impact of \$902 million in nominal terms and 6,119 total jobs.

### Estimated On-Site Employment by Site and Use-Type Howard Terminal

Use	Estimated On-Site Employment
Ballpark	667
Residential	132
Office	2,500
Retail/Cultural/Civic	186
Hotel	110
Performance Center	28
<b>Total</b>	<b>3,623</b>

**Source:** U.S. Energy Information Administration, Commercial Building Energy Consumption Survey

**Analysis:** Bay Area Council Economic Institute

To bring the 10-year impact back to an equivalent present value dollar amount — assuming full build-out — we apply a discount rate of 4% over 10 years to arrive at our total operational impact of \$7.3 billion over 10 years.

### Yearly Economic Impact of Howard Terminal Operations

Use	RIMS Industry	Direct Effect on Employment	Total Increase in Employment	Final Demand on Employment	Total Increase in Output
Ballpark	59	1.3166	878	13.3775	\$65,612,658
Residential	64	1.0000	132	4.0227	\$32,813,782
Office	50	1.8719	4,680	6.1659	\$758,972,737
Retail/Cultural/Civic	30	1.3020	242	10.3304	\$23,468,731
Hotel	61	1.3667	151	8.1023	\$18,587,383
Performance Center	59	1.3166	37	13.3775	\$2,733,861
<b>Annual Impact</b>					<b>\$902,189,152</b>

**Source:** Oakland A's; U.S. Energy Information Administration; U.S. Bureau of Economic Analysis

**Analysis:** Bay Area Council Economic Institute

## About the Economic Institute

Since 1990, the Bay Area Council Economic Institute has been the leading think tank focused on the economic and policy issues facing the San Francisco/Silicon Valley Bay Area, one of the most dynamic regions in the United States and the world's leading center for technology and innovation. A valued forum for stakeholder engagement and a respected source of information and fact-based analysis, the Institute is a trusted partner and adviser to both business leaders and government officials.

Through its economic and policy research and its many partnerships, the Institute addresses major factors impacting the competitiveness, economic development and quality of life of the region and the state, including infrastructure, globalization, science and technology, and health policy. It is guided by a Board of Trustees drawn from influential leaders in the corporate, academic, non-profit, and government sectors. The Institute is housed at and supported by the Bay Area Council, a public policy organization that includes hundreds of the region's largest employers and is committed to keeping the Bay Area the world's most competitive economy and best place to live. The Institute also supports and manages the Bay Area Science and Innovation Consortium (BASIC), a partnership of Northern California's leading scientific research laboratories and thinkers.

