Office of Economic Development

June 4, 2008

To: Planning Commission

From: Michael J. Caplan, Manager of Economic Development
By: Dave Fogarty, Economic Development Project Coordinator

Subject: West Berkeley employment and development trends compared with projections in the West Berkeley Area Plan

On March 26, 2008, the Planning Commission asked staff to see how the amount of built space and employment had changed in the West Berkeley Plan Area compared with what had been projected in the early 1990s. Staff reviewed the *West Berkeley Plan Environmental Impact Report*, April 1993 (hereafter "the EIR"), and the *West Berkeley Plan,* December 1993 (hereafter "the Plan"), that contain projections for the amount of non-residential space expected to be built in the period 1992-2005. (See Appendix 1 for relevant portions of the EIR and Plan.) An earlier plan document, the *Preferred Land Use Concept* had set employment goals for the Plan Area. Staff considered residential development to be outside the scope of our evaluation.

Summary

Development

Most of the 1,540,000 square feet of new non-residential development was expected to occur on eight large sites. Five of the eight were never built and the actual development pattern 1992-2005 was very different from what had been expected in the EIR and the Plan. Nevertheless, County Assessor's records show that the total amount of non-residential development was close to what was projected-- a 17% increase—but new development was mostly in Manufacturing and Wholesale rather than Office and R&D as the Plan had predicted. Instead of an 80% increase, Office and R&D space grew by a modest 14%.

Employment

Total employment in West Berkeley increased by only 4% (645 jobs) between 1991 and 2006 rather than the 20% (3,100 jobs) that had been set as a goal. The manufacturing and wholesale sectors lost 898 jobs rather than gaining 700, and retail's gain of 84 jobs was trivial compared to the goal of 1,200. The Plan hoped for a gain of 1,200 "office and laboratory" jobs. This was more than achieved because jobs in Services plus Finance, Insurance and Real Estate increased by 2,439, from 4883 to 7,322 (50%).

Conclusion

In the period 1992-2005 no relationship can be seen between changes in the amount of space for various uses as measured by Assessor's records and employment change in those uses or sectors. The amount of space classified as "industrial (use codes 4x) increased at the same time that employment actually decreased in manufacturing and wholesale trade. Space assessed as retail (3x series) increased by 27% while retail employment increased by only 3%. On the other hand, jobs in the service sector increased by 50% while the amount of space assessed for "office" (use codes 94 and 95) increased by only 14%.

None of this is very surprising. Bayer and Wareham development added 275,000 sf and 378,000 sf of new space, respectively, and much of this was assessed as industrial. Bayer added more than a thousand employees in a period when West Berkeley manufacturing as a whole lost employment and many large West Berkeley industrial employers closed down (e.g., Flint Ink, Peerless Lighting, Macauly Foundry.) Vacant industrial properties continue on the assessment role in the same classification. Various complicating circumstances --disputes within the ownership entity, physical design of buildings for obsolete purposes (sometimes combined with landmark status, as in the case of Flint Ink), toxic issues on the property-- may mean that redevelopment for a new active use can take many years.

In the sectors characterized by "office" employment (primarily "services"), employment increased much more than the addition of space assessed as office would suggest. Only a GIS-based analysis of parcels and workplaces could show where and how this increased "office" employment was accommodated in West Berkeley. One possibility is that the assessor's records are not up-to-date and do not reflect the actual use of space, though this seems less likely for space added in the period 1992-2005 than for records on older existing buildings. But there is probably much more to it than simply inaccurate records. Regulation over the use of space exemplified by zoning cannot always control economic change. The Zoning Ordinance attempts to do this by defining use categories by economic sector definitions in the federal Standard Industrial Classification (SIC) system, the last version of which was issued in 1987. But this means that economic change can undermine the logic of the Zoning Ordinance's assignment of Uses to particular zoning districts. Evolving technologies, emerging industries and the changing nature of production and distribution required a new way to define what businesses are and what they do and, in 1997, the federal government superseded the SIC classification system by issuing the new North American Industry Classification System (NAICS). A good example of what this means can be seen in the example of publishing, an important industry in West Berkeley. SIC had classified all publishers as part of the manufacturing sector[1]. Accordingly, various of them (Nolo Press, North Point, North Atlantic) legally located in West Berkeley's MU-LI district. But in the new NAICS system publishers have been moved out of the manufacturing sector to a new "Information" sector.[2] This is not just an arbitrary classification shift, but reflects an assessment that the output of "publishing" is information or cultural product and not particular tangible formats (e.g., books, newspapers, periodicals). Since the statistics used in this report include publishing employees in the manufacturing sector in 1991 and in the service sector ("Information") in 2006, part of the growth in Services and decline in manufacturing shown in the table in Exhibit C reflects the classification shift. And what does this reclassification out of manufacturing mean for the business and the property owner? Presumably, the publishers can remain (as existing Non-Conforming Uses.) But, if they leave, do the property owners have the right to lease the space to other businesses in the Information Sector, or must the new tenants conform to existing Uses allowed in MU-LI?

Projected Development

Planners projected that a total 1,540,000 sf of non-residential space would be added in West Berkeley in 1992-2005, a 17% increase over the stock existing in 1992. (See Table 1-4, *West Berkeley Plan*, p. 33) reproduced in Appendix 1. The *Plan* notes that this projection was developed by City staff for the EIR based on "major development opportunities" that they thought existed in West Berkeley:

> *As the EIR discusses, the great bulk (1,340,000 square feet) of the projected development is in 8 major projects. These are developments at the University's Harrison Properties; re-occupancy of Utility Body; commercial development at the Spenger's parking lot; the approved Miles Development Agreement; reuse of the Colgate site; development at the "Colgate East" parking lot across 7th St; Live-work development on the Hustead's Towing site; and expansion of Whole Earth Access.*

Exhibit A reproduces Table 4A-2 from the EIR with these opportunity sites, the development expected to occur on them, and staff has added a column that shows what actually happened. Five of these sites (University Harrison Properties, Utility Body, Spenger's Lot, Hustead's Towing, and Whole Earth Expansion) were not developed for commercial purposes in the period 1992-2005 or, for that matter, up to the present. Development did occur on three sites listed in the table: Miles, Colgate and Colgate East. At the Miles site, the new owner, Bayer Pharmaceuticals, has developed 274,907 sf of new space, including 208,408 for production and the remainder for laboratory and administrative purposes. Bayer also purchased the Colgate site between 3rd to 7th along Carleton where it has developed 147,198 sf of new space. Finally, on the Colgate East property, ActivSpace at 2703 7th built 43,000 sf of new art, hobby and business space and other developers built live-work projects totaling about 10,000 sf. **Of the 1,340,000**

[1] SIC 271, 272 and 273: Newspapers, Periodicals and Books. The manual makes it clear that publishing establishments were manufacturing whether or not they were co-located with printing.
[2] NAICS 511 Publishing Industries.

EXHIBIT A

Table 4A-2
Major Development Projects
Expected in West Berkeley

EXHIBIT A

mber[1]	Name	Location	Land Use District	Projected Size (Built Sq. Ft.)	Type of Development	Actual Development
1	University Harrison Properties	3rd to 5th north of Harrison and 6th to 8th north of Harrison St.	Mixed Use/Industrial	400,000 (on 12 acres)	Laboratory/R&D	City purchased for playing fields Another portion used by Postal Service for distribution facility
2	Utility Body	7th to 8th, Gilman to Harrison St.	Mixed Use/Industrial	140,000	Retail; manufacturing/ wholesaling	BUSD acquired for school bus Maintenance facility
3	Spenger's Lot	3rd to 4th, Hearst to University Ave.	General Commercial	30,000 (Retail) 220,000 (Parking)	Retail; parking	Site landmarked as Native American burial ground. Remains surface parking lot.
4	Miles	3rd to 7th, Dwight to Carleton St.	Mixed Manufacturing	24.7 acres	Pharmaceutical R&D,	Bayer has developed a total of 274,907 sf, including 208,408 sf. for production.
5	Colgate	3rd to 7th along Carleton St.	Mixed Manufacturing	300,000 (on 10 acres) (3 possible scenarios)	Industrial; laboratory/R&D	Bayer purchased Colgate site and has developed 147,198 sf. of warehouse and production space.
6	Colgate East	7th to 8th, Carleton to Pardee	Mixed Use/Residential	72,000	Office; Live-work	ActivSpace developed 43,000 sf, of arts, crafts and hobby space and other developers about 10,000 sf. of live-work
7	Hustead's Towing	8th to 9th along Heinz St.	Mixed Use/Residential	82,000	Live/work	Remains Hustead car storage
8	Whole Earth Expansion	Potter St. between 5th & 7th Sts.	Mixed Use/Residential and General Commercial	68,000	Retail	Whole Earth went bankrupt and expansion never built.

ble Notes:

Numbers are keyed to Figure 4A-3.

urce: *City of Berkeley, Planning Analysis & Development*

sf that was projected to be built on these eight sites then, only about 475,000 was actually constructed.

While the projections assumed that by far the largest use built would be office and R&D, relatively little was actually built on these sites (47,419 sf at Bayer).[3] Similarly, the projections assumed that at least 98,000 sf of retail space would be constructed on these eight sites but none was actually built.[4] While it is not clear how much manufacturing and warehouse space the projections expected on the eight opportunity sites, they assumed 400,000 sf in West Berkeley as a whole. This is the only projection that was realized on the opportunity sites because at least 358,545 of the space built by Bayer on its campus (former Miles property) and at its new South property (former Colgate) was production and warehouse space. The use permit for the ActivSpace building characterizes it as "commercial/light industrial" and much of it seems to be occupied by artists and craftspeople.

While it is relatively easy to show that the projections for specific sites in the EIR and Plan were off the mark, it is much more difficult to characterize development that did occur in West Berkeley from 1992-2005. This is because most development occurred not on large sites as had been expected, but on multiple smaller sites. And while records exist for individual projects, the Planning Department is not yet able to use them to track net addition and subtraction of space by type of use. At least for now, we are forced to rely on County Assessor's records by type Assessor's use codes.

Redevelopment staffmember Amber Evans compared the West Berkeley Area Plan's "existing" (1992) and projected 2005 space allocations by type of use with Assessor's records from 2007. We reproduce her table as Exhibit B. One question is whether the 1992 "base" series in the table is entirely compatible with the 2007 Assesor's records. The 1992 database does not survive but Nathan Landau, at the time West Berkeley Area Planner, indicates that "...the starting point was assessor's parcel data, but we modified numerous parcels based on our knowledge of what was on the parcel."[5] In particular, they found that some parcels that the Assessor listed as industrial really were not and moved them to what they felt was a more appropriate use category. No such adjustments have been made to the 2007 data. The adjustments in the 1992 data from industrial to Office and possibly Other mean that the table overstates growth in the Manufacturing and Wholesale, understates growth in Office "R&D" and may overstate decline in Other

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[3] The projected addition of 680,000 sf of "Office & R & D" space in Table 1-4 of the Plan is of course based primarily on the assumption that the University of California would built 400,000 sf of "laboratory R&D" space on its Harrison properties. This never happened because the property was sold to the City and the U.S. Postal Service. In addition, Table 1-4 characterizes what would be built on the Miles site as "Pharmaceutical R& D" space while Bayer actually built mostly space for production and storage rather than office or research space.

[4] The West Berkeley Area Plan predicted a net addition of 325,000 sf of retail space (+24%). They expected 68,000 sf on Potter Street for the Whole Earth expansion, 30,000 sf at the Spenger's lot, and part of the 140,000 sf of new space at Utility Body was to be retail. However, how much and where the rest would be is unclear. In practice, the BUSD does not plan to build any retail space on the Gilman Street frontage of its bus maintenance facility even though the City encouraged this.

[5] Email to Economic Development staff, May 2008.

EXHIBIT B

NON-RESIDENTIAL BUILT SPACE IN WEST BERKELEY: 1992 EXISTING COMPARED TO PROJECTIONS FOR 2005 AND 2007 ACTUAL

	Square Footage				
	Manufacturing & Wholesale (a)	**Office "R&D"**	**Retail**	**Other (b)**	**Total NonResid**
WB Plan Existing Space 1992	5,930,000	855,000	1,350,000	1,140,000	9,275,000
Projected 2005	6,330,000	1,535,000	1,675,000	1,275,000	10,815,000
Projected % Change 1991-2005	7%	80%	24%	12%	17%
Assesor Reported 2007 Conditions (a,b)	7,344,854	972,612	1,712,018	815,075	**10,844,559**
Assesor Vs WB 2005 Projections	1,014,854	(562,388)	37,018	(459,925)	29,559
Assesor Vs WB 1992 Condition's	1,414,854	117,612	362,018	(324,925)	1,569,559
Recorded % Change 1991-2005	24%	14%	27%	-29%	17%

Sources & Notes

a.) Non Residential Square Footage: County of Alameda Assesor Data as pulled by City of Berkeley Planning Department August 2007.
b.) Other includes auto repair shops, banks, motels, schools, churches and other institutional uses

EXHIBIT B

between 1992 and 2007. With these caveats, we can assume that data and classifications are basically compatible because they start from the same source.

The overall amount of Nonresidential built space in 2007 is close to what had been predicted for 2005: 10.8 million sf. However, the distribution is very different: a apparent 24% increase in Manufacturing and Wholesale space rather than 7% predicted; a 14% growth in Office & R&D space rather than the predicted 80% growth; a 27% increase in Retail space rather than the 24% predicted; and a 29% loss in "Other" primarily institutional space rather than the 12% growth predicted.[6] However, the geographic pattern of the additions was very different from what had been predicted and the increases in "high-tech" manufacturing space was counter-balanced by vacancies that nevertheless remained on the Assessor's role.

Employment Change

The *West Berkeley Area Plan* does not have projections for employment growth equivalent to the projections for built space. However, the Area Plan Committee set the goal of adding *at least* enough space to add 700 manufacturing jobs, 1,200 office and laboratory jobs, and 1,200 retail jobs. However, the projected additions of space already discussed would have allowed many more jobs than the goal of 3,100.

In order to determine whether the employment goal was realized, we need to start from the two tables in the *West Berkeley Area Plan* that show employment in the early 1990s. (See appendices 2 and 3) The table in Appendix 2 uses City business license records for 1990 that underreport total employment and, in addition, the classification of businesses is not very accurate. Nevertheless, in Appendix 4 we have created a table, Exhibit D, that compares the 1990 data to 2007 business license data and have analyzed it.

We have chosen to use the table in Appendix 3 (Table 2-1: *Sectors of the West Berkeley Economy – 1981-1991)* as the primary basis for the employment comparison because we have recent data that is accurate and gathered on the same criteria. The data from 1991 was acquired from the County Business Patterns unit of the Census Bureau and covered all private employers in the 94710 zipcode. OED now acquires similar data from the Labor Market Information Division of the California Employment Development

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[6] Why the apparent decrease of 325,000 sf of "Other" space when we cannot recall the loss of a major school or other institution in 1992-2007? In August 2007 the Assessor still had the Marchant building (532,000 sf, more than half of which is in Berkeley) classified as "exempt public agency" property (code 03) since the University of California owned it (although it was in the process of being sold to a private developer.) Accordingly, in the 2007 figures it does not even show up as "Nonresidential property." The Assessor almost certainly had it classified as exempt property (03) in 1992 as well. However, in 1992 planners made adjustments to reflect what they believed were more appropriate classifications. In this case, there is a more appropriate classification in the 6x Series, 61: Improved government-owned property. If that was done in 1992, it would explain much of the apparent decrease in the "Other" category. No such adjustments have been made for 2007. Obviously, now that the property is privately-owned, the reassessment will mean a big increase in whatever classification where it is assessed, probably 4x Series-Industrial.

Department.[7] Since the 1991 data uses SIC sectors, staff had to allocate some 2006 NAICS sectors back to the 1991 categories to make them comparable (e.g., food service moved from "accommodation and food services back to retail). The resulting table is shown as Exhibit C.

Employment in the 94710 zipcode increased by 645 persons or 4% rather than the goal of 3100 or 20%. Manufacturing and wholesale trade lost 898 jobs rather than gaining 700 and retail's gain of 84 was trivial compared to the goal of 1,200. The Plan hoped for a gain of 1,200 "office and laboratory" jobs and, if this category can be measured by jobs in Services plus Finance, Insurance and Real Estate, it was more than realized. Services plus FIRE increased by 2,439 jobs from 4,833 to 7,322 (50%).

[7] Although the 1991 and 2006 data was acquired from different agencies, the ultimate source is the same: employers' unemployment insurance filings.

EXHIBIT C

EXHIBIT C

EXHIBIT C

West Berkeley Employment 1991 & 2006

Sector	1991 Businesses	1991 Employees	2006 Businesses	2006 Employees	% Change Employment
Agriculture	9	34	2	***	
Construction	67	1,251	63	835	-50%
Manufacturing	153	5,025	89	4,194	-20%
Transportation & Public Utilities	24	463	7	***	
Wholesale Trade	100	1,488	58	1,421	-5%
Retail Trade (inc. restaurants)	108	2,598	140	2,682	3%
Finance, Insurance, Real Estate	25	160	40	489	67%
Services	258	4,723	401	6,833	31%
Unclassified	14	67			
TOTAL	758	15,809	800	16,454	4%

Table 1-4: **Existing Non-Residential Space and Projected Development by Use***

	Manufacturing & Wholesaling	**Office "R and D"**	**Retail**	**Other****	**Total, All Uses**
Existing Space, 1992	5,930,000	855,000	1,350,000	1,140,000	9,275,000
Projected, 1992-2005	+400,000	+680,000	+325,000	+135,000	1,540,000
% Change, 1992-2005	+7%	+79%	+24%	+12%	17%
Total, 2005	**6,330,000**	**1,535,000**	**1,675,000**	**1,275,000**	**10,815,000**

*rounded to nearest 5,000 sq.ft.

**Other includes auto repair shops, banks, motels, schools, churches, and other institutional uses. The expected increase in space assumes development of a Corporation Yard for the City and School District.

III. Anticipated Development in West Berkeley

Assumptions for Projection

Future development in an area can only be projected, with no claim to "scientific" accuracy. The land use regulations embodied in this Plan set the maximum permitted development levels, but market conditions will generally dictate whether private developers will take advantage of these opportunities. The City itself does not plan to undertake major development projects in the area, with the possible exception of relocating its Corporation Yard.

The analysis in this document uses the same assumptions used in the Environmental Impact Report on the Plan. City staff, with the assistance of development professionals, have identified the major development opportunities that exist in West Berkeley. These include both vacant sites, and sites where expansions or changes of uses are likely. In addition, the EIR builds in allowances for expansion of existing smaller scale development. The projections were developed by reviewing 1) Projects now approved (including under construction as of Fall, 1992); 2) Projects proposed; and 3) Potential projects in each zone, for each use. The Plan and EIR assume that the available sites will be fully developed by 2005. Such "buildout" may not occur, but assuming that it will is conservative in terms of traffic which will have to be handled and other issues.

This document provides a summary of projected development in West Berkeley through 2005. Further detail is available in the *West Berkeley Plan* Draft Environmental Impact Report.

Overall Level of Development

Development under the *West Berkeley Plan* is projected to be significant, but in scale with existing development. The Plan projects that West Berkeley will add some 1,540,000 square feet of non-residential development, including laboratory, manufacturing, office, and retail space. If realized, this would represent a 17% addition to the existing stock (as of 1992) of some 9,300,000 square feet (see Table 1–4). 400,000 square feet of new manufacturing space are projected, as are 680,000 square feet of new office/"R and D" space, and 525,000 square feet of retail space. Under the Plan at least 200 residential and live-work units[1] will be added to the existing stock of 2,970 housing units (including live-work). Thus the Plan projects at least a 7% increase in residential space.

As the EIR discusses, the great bulk (1,340,000 square feet) of the projected development is in 8 major projects. These are development at the University's Harrison Properties; re-occupancy of Utility Body; commercial development at the Spenger's parking lot; the approved Miles Development Agreement; reuse of the Colgate site; development at the "Colgate East" parking lot across 7th St.; Live-work development on the Hustead's Towing site, and expansion of Whole Earth Access. As of September, 1993,

[1]These projections include live-work space with their projection of housing development. Strictly speaking, live-work is not housing, because it incorporates both a living space and work space. The proposed live-work ordinance treats live-work space as more "commercial" than "residential". However, regardless of how this issue is viewed, since live-work will provide living space for households, it is appropriate to include it in the housing totals. The Housing and Social Services Element provides further discussion of West Berkeley's recent levels of housing development.

only the Miles project and demolition of buildings at the Colgate site (but no new buildings) have been approved by the City, so none of the other projects are certain.

Table 1-4: **Existing Non-Residential Space and Projected Development by Use***

	Manufacturing & Wholesaling	Office "R and D"	Retail	Other**	Total, All Uses
Existing Space, 1992	5,930,000	855,000	1,350,000	1,140,000	9,275,000
Projected, 1992-2005	+400,000	+680,000	+325,000	+135,000	1,540,000
% Change, 1992-2005	+7%	+79%	+24%	+12%	17%
Total, 2005	**6,330,000**	**1,535,000**	**1,675,000**	**1,275,000**	**10,815,000**

*rounded to nearest 5,000 sq.ft.

**Other includes auto repair shops, banks, motels, schools, churches, and other institutional uses. The expected increase in space assumes development of a Corporation Yard for the City and School District.

Development Projections and Development Objectives

In its effort to balance various types of development, the *West Berkeley Plan* Preferred Land Use Concept (the predecessor document to this one) adopted objectives for growth over the 15 year Plan period in various uses—Manufacturing (and wholesaling), Office and Laboratory, and Retail. The Committee set objectives of adding 350,000 square feet of manufacturing space, 400,000 square feet of office and laboratory space, and 300,000 square feet of retail space. Clearly, projected growth of space meets or exceeds these targets in each area. This added space was targeted to add 700 manufacturing jobs, 1,200 office and laboratory jobs, and 1,200 retail jobs. These objectives were arrived at by using ABAG's projections for economic growth in Berkeley as a whole as benchmarks.

Housing Development Potential

In addition to providing space for jobs, the West Berkeley Area Plan must provide space for additional housing. An assessment of potential housing development sites in the Plan Concept suggests that West Berkeley can meet a reasonable target of 200 units development over the next 15 years. Housing development potential exceeds a reasonable housing goal by 95-120 units, possibly more.

Summary of Potential	
Commercial corridors	152 units
Mixed Use residential	108 units
Second units	13 units
Live-work conversions	Unquantified
Total	**273 units***

*Total units plus live-work conversions

Development Opportunities:

The *West Berkeley Plan* provides 3 types of housing development opportunities—Commercial corridors (especially San Pablo Ave.); the Mixed Use Residential zone; and second units with single-family houses. The projection assumes 8 housing development sites with 152 units in 3 story mixed use buildings on San Pablo Avenue (feasible only under relaxed parking standards); 6 housing development sites with 108 units in the Mixed Use/Residential district (not including possible additional conversions of industrial space to live-work use), and 13 second units with single family houses (added to 1% of the existing single family house stock).

APPENDIX 2

APPENDIX 2

WEST BERKELEY PLAN

Table 1-1: **West Berkeley Employment by Broad Sector in Proposed Zoning Districts**

Zoning District

	Manufacturing		**Mixed-Manufacturing**		**Mixed Use/Residential**		**Mixed Use/Light Industrial**		**Commercial**		**Total Plan Area**	
Use Category	Firms	Employees	Firms	Employees	Firms	Employees	Firms	Employees	Firms	Employees	Firms	Employees
"Heavy" Manufacturing*	9	537	4	770	10	257	7	106	1	14	31	1,684
"Light" Manufacturing**	16	187	12	87	140	2,180	53	400	39	212	266	3,097
Other Industrial***	3	118	3	16	72	471	39	279	97	357	232	1,304
Retail Trade****	3	10	4	12	49	545	15	46	219	1,746	310	2,385
Office-Based*****	4	10	4	30	100	1,099	68	386	56	257	272	1,923
TOTAL	**35**	**862**	**27**	**915**	**371**	**4,552**	**182**	**1,217**	**412**	**2,586**	**1,111**	**10,393**

*"Heavy" Manufacturing is chemicals, including pharmaceuticals, primary metals, and asphalt products.

**"Light" Manufacturing is all other manufacturing; wholesale trade; and warehousing.

***Other Industrial is agriculture, construction, transportation and public utilities, auto repair, and miscellaneous repair services.

****Retail Trade is retail trade and personal services.

*****Office-Based is finance, insurance, and real estate; travel agencies; and services not listed above including business services,engineering and management.

Source: Business Licenses, 1990, City of Berkeley

APPENDIX 3

APPENDIX 3

Table 2–1: **Sectors of the West Berkeley[1] Economy–1981-1991**

Sector	1991 Business	1991 Employees	1981 Business	1981 Employees	1981-1991 Change in # Employed	1981-1991 % Change in Employees
Agriculture	9	34	2	8	+26	+325%
Construction	67	1,251	55	1,605	-354	-22%
Manufacturing	153	5,025	133	7,833	-2,808	-36%
Transportation & Public Utils.	24	463	15	408	+55	+13%
Wholesale Trade	100	1,488	69	994	+494	+49%
Retail Trade	108	2,598	51	967	+1,631	+169%
Finance, Insurance, Real Estate	25	160	17	132	+28	+21%
Services	258	4,723	117	2,302	+2,421	+105%
Unclassified	14	67	24	75	-8	-11%
Total	758	15,809	469	13,661	+2,148	+16%

Source: County Business Patterns, Computer Run for Berkeley, Calculations by Berkeley Planning Dept.

APPENDIX 4

Table 1-1: *West Berkeley Employment by Broad Sector in Proposed Zoning Districts,* (Reprinted in Appendix 2) uses 1990 figures collected by the City Finance Department as part of the business licensing process. A footnote to the table notes that "business license data tends to understate employment somewhat, due to underreporting." The same problem has persisted, as may easily be seen by a comparison between the table we have created as Exhibit D for this Appendix and the employment figures in Exhibit C. Employment is approximately 3,000 less in both comparison years. In principle, employment in Exhibit D ought to be larger because the universe of businesses and the area is larger. While employment in Exhibit C is for the 94710 zipcode only, Exhibit D attempts to measure employment within the actual boundaries of the West Berkeley Area Plan that included both sides of San Pablo Avenue (and therefore includes a portion of the 94702 zipcode as well as 94710). In addition, the table in Exhibit C includes only employers and does not include the self-employed (because they do not pay unemployment insurance.) However, the self-employed are supposed to obtain a City business license and at least the ones who do comply appear in Exhibit D.

For Table 1-1, the planners reclassified businesses into the "Use Categories" that were proposed for the Plan: "Heavy" Manufacturing, "Light" Manufacturing, "Other" Industrial, Retail Trade and Office-Based. Economic Development staff created a file from the 2007 business license renewal using the same boundaries and classified firms into the same "Use Categories." (For the definitions of the Use Categories, see the starred footnotes to Table 1-1 in Appendix 2.)

Still, with important caveat that the table understates actual employment, the results are still instructive. Employment in "Heavy" manufacturing increased partly because both Bayer (then Miles) and Pacific Steel Castings are in this category but also because the number of firms classified in this category increased from 31 to 61. Miles had 686 employees in 1991 and 1,775 by 2007. Pacific Steel Castings had 300 employees in 1991 and nearly 700 in 2007. The increase in the number of firms in "Heavy" manufacturing is surprising and appears to be opposite from what was expected in the West Berkeley Area Plan. Paradoxically, "Light" Manufacturing lost both employees and firms. The firms and employment classified as Office-Based had the greatest increase. Employment increased by 242% in this Use Category. Surprisingly, "Other Industrial" declined by 56%, much of it in construction. Finally, retail trade increased by 13%.

EXHIBIT D

West Berkeley Employment by Use Category

	1990		2007		
Use Category	Employees	Firms	Employees	Firms	% Change
Heavy Manufacturing	1,684	31	3,008	61	79%
Light Manufacturing	3,097	266	1,753	130	-43%
Office-Based	1,304	232	4,466	604	242%
Other Industrial	2,385	310	1,042	171	-56%
Retail Trade	1,923	272	2,165	323	13%
Grand Total	**10,393**	**1,111**	**12,434**	**1,289**	20%

EXHIBIT D