



AGENDA REPORT

**TO: DEANNA J. SANTANA
CITY ADMINISTRATOR**

FROM: Kelley Kahn

**SUBJECT: Measure C and General Fund Support for
Community Festivals**

DATE: August 29, 2013

City Administrator

Date

Approval

9/10/13

COUNCIL DISTRICT: City-Wide

RECOMMENDATION

Staff recommends that the City Council accept:

An Informational Report On Possible Action To Establish A Process For The Allocation Of Measure C (Transportation And Occupancy Tax) Funds For City Festivals, Parades, And Runs.

BACKGROUND/LEGISLATIVE HISTORY

In 2003, the Moving Oakland Forward Initiative – a citywide working group led by the Office of the City Manager charged with identifying ways to improve government efficiencies and reduce budget impacts – recommended dedicated annual funding for the Parades, Runs & Street Festivals Fund (PRSF). The recommendation emanated from a need to rein in approximately \$255,000 in unbudgeted FY 02-03 City costs incurred by approximately thirty (30) community events. With no defined policies or procedures in place to contain City costs and/or require event organizers to pay any portion, the City was left to fully absorb these costs, thereby diverting funds from other General Fund priorities.

Therefore, in the FY 2003-05 Adopted Policy Budget, Council appropriated \$120,000 per year in the General Fund to provide dedicated annual funding for the Parades, Runs & Street Festivals Fund (PRSF). Council approved use of these funds to help offset City costs incurred by nine (9) core outdoor events taking place at that time in City streets and parks: Chinatown Streetfest, East Bay Pride, Black Cowboy Parade/Celebration, Dia de los Muertos, Oakland Holiday Parade, Chinatown Lunar New Year Parade/Celebration, Cinco de Mayo, Carijama and Malcolm X Jazz Fest.

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As detailed in a July 22, 2003 Agenda Report about the PRSF from the Office of the City Manager, the nine (9) core community events were selected based on several criteria including a significant positive impact on quality of life, a history of City financial support and risk of discontinuation if City support were withdrawn. Moreover, these events were identified as “time-honored” annual cultural traditions produced by nonprofits and community organizations with “strong community appeal, consistent PRSF funding history, and a diverse cultural mix.”

Facilitated through internal transfers from the PRSF to the impacted City departments, allocations were capped at \$20,000 per event. Eligible City costs included fees for permits and use of City equipment (barricades, metal barriers, etc.) in addition to applicable personnel costs for police, parks and recreation, public works and fire. Council appropriated annual funding to the PRSF for community festivals from FY 03-04 through mid-cycle FY 08-09 as follows:

FY 03-04	\$123,379.50	
FY 04-05	\$117,842.78	
FY 05-06	\$101,271.71	
FY 06-07	\$ 93,513.44	
FY 07-08	\$ 93,407.47	
FY 08-09	\$ 65,927.39	(Due to the budget deficit, Council halted funding to the PRSF at mid-year, effective January 1, 2009)

The PRSF-supported community events for the above referenced fiscal years are listed, with amounts allocated, in **Attachment A**.

In October 2008, due to the budget deficit, Council adopted mid-cycle budget adjustments at which time funding to the PRSF was halted effective January 1, 2009, thereby returning \$43,500 to the FY 08-09 General Fund. This left five (5) community events taking place between January 1, 2009 and June 30, 2009 without City funding to cover City costs: Chinatown Lunar New Year Bazaar, Vietnamese Tet Festival, Cinco de Mayo, Malcolm X Jazz Arts Festival and Carijama (Carijama disbanded after May 2004. Staff had left some funding in the PRSF in case the event was resurrected, but that did not happen). No funding was appropriated by Council to the PRSF from January 1, 2009 through June 30, 2012.

In the FY 12-13 Mid-Cycle Budget, Council resumed funding to the PRSF in the amount of \$60,000, this time using Measure C Funds rather than General purpose funds. Approved by Oakland voters in July 2009, Measure C increased the transient occupancy tax (TOT) from 11% to 14%. The additional TOT revenue is allocated as follows:

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Oakland Convention and Visitors Bureau	50.0%
Oakland Zoo	12.5%
Oakland Museum of California	12.5%
Chabot Space and Science Center	12.5%
Cultural Arts Programs and Festivals	12.5%

In FY 12-13, a total of eleven (11) community events received allocations through the Measure C-funded PRSF. The PRSF covered approximately 64% of the overall City fees and costs incurred by these eleven (11) events. The remaining City costs were borne by the individual event organizers.

The eleven (11) community events receiving FY 12-13 PRSF support were determined based on those previously supported through the Fund as approved by Council. These included all nine (9) events from a list circulated during the Council's special budget meetings held in June 2012. In determining the specific FY 12-13 allocations, staff continued the practice of limiting the support to established Oakland nonprofits and community groups/events. Due to reduced overall funding for the PRSF, a cap of \$10,000 per event was established.

The FY 12-13 PRSF-supported community events, including allocated amounts, are listed in ***Attachment B***.

In addition to providing support community festivals, Measure C also provides funding for two City programs: Cultural Funding Program (grants for the arts) and Art & Soul. A breakdown of the FY 13-15 Measure C appropriations across all programs is included in ***Attachment C***.

In its FY 13-15 budget, Council allocated \$120,000 in Measure C funds to the FY 13-15 Parades, Runs & Street Festivals Fund. It also allocated \$200,000 in one-time General Purpose funds in support of community festivals.

ANALYSIS

Below is an analysis of the potential use of both the PRSF and General Purpose funds appropriated by Council in support of community festivals in FY 13-15.

FY 13-14 Measure C PRSF Allocations

Staff suggests that there is a strong rationale for continuing to provide funding to help offset City costs and fees for the eleven (11) community festivals currently supported through the \$60,000 in annual PRSF Measure C funding. Staff believes that these eleven (11) community festivals are time-honored cultural traditions that attract large and diverse audiences, support economic development and community revitalization and generate both good will and positive media exposure for Oakland.

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A spreadsheet showing the projected FY 13-14 PRSF allocations is included in *Attachment D*. This represents approximately 64% of the overall City costs incurred by these eleven (11) events.

FY 14-15 Measure C PRSF Allocations

Staff will return to Council at a later date with the FY 14-15 PRSF allocations, to include any adjustments resulting from any changes in the respective events and/or increases in City fees and costs.

FY 13-15 General Fund Support for Community Events

In addition to the \$60,000 in annual Measure C funding for the PRSF, Council appropriated \$200,000 in one-time funding for community events in the FY 13-15 General Purpose Fund.

Staff has prepared the following scenario detailing potential use of the \$200,000 in one-time general purpose funds, based on allocating the funds annually over two fiscal years:

Fund City costs and fees for Oaklavia/Sunday Streets (\$20,000). Fund 70% of the City costs and fees for First Fridays (\$50,000). Create pool of funds to seed new events (\$30,000). Continue to fund 64% of the overall City fees and costs for the eleven (11) existing community through Measure C – PRSF (\$60,000).

Rationale:

- 1) Would provide dedicated annual funding to cover City fees and costs for the annual Oaklavia/Sunday Streets presented by Walk Oakland Bike Oakland (WOBO), East Bay Bicycle Coalition (EBBC) and the City of Oakland. Held this past year around Lake Merritt, the highly successful event attracted upwards to 15,000 walkers, cyclists, runners and families for an afternoon of recreation, fitness and cultural enrichment.
- 2) Would provide dedicated funding to cover 70% of the City fees and costs incurred by the monthly First Fridays street festival for a period of two years. These City costs are currently unbudgeted and the event organizer has indicated that it does not have sufficient funds to cover the related City fees and costs. Staff suggests that this, in combination with fundraising efforts on the part of the First Fridays organizers, would enable the event to continue on a monthly, bi-monthly, or quarterly basis for at least two years. The scope and frequency will depend on how much additional money is raised by the event organizer to cover the remaining City costs and fees (approximately \$22,000 per year) and approximately \$16,000-\$20,000 per month in non-City expenses required to produce the event.
- 3) Would provide for City co-sponsorship of First Fridays, allowing for a City role with respect to scope, production and logistics.

4) Would create a \$30,000 pool of funds per year over two years to help seed new events in underserved areas/neighborhoods. These new events could be used to fuel economic development and community revitalization, build civic pride and enhance public safety. Note: This is one-time funding available each year for two years. In order to both initiate and subsequently sustain any new events, community event producers would need to step up to plan, produce, staff, promote and fundraise to cover broader (non-City) operating expenses.

5) Continues dedicated annual funding to help offset City fees and costs incurred by the eleven (11) existing community festivals, thereby reinforcing the City's investment in these well-attended, time-honored events.

COORDINATION

The City Attorney's Office, Budget Office and OPD Special Events Unit have been consulted in the preparation of this report and resolution.

COST SUMMARY/IMPLICATIONS

1. AMOUNT OF RECOMMENDATION/COST OF PROGRAM:

Total Program Costs – Measure C PRSF	\$120,000 FY 13-15
Total Program Costs – General Fund	\$200,000 FY 13-15 (one-time funds)

2. SOURCE OF FUNDING/FISCAL IMPACT:

Measure C – PRSF	\$60,000 per year
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Non-Departmental funding has been budgeted as follows:
1.2419.02991.53311.P391870.SCO2

General Fund – Community Festivals	\$200,000 (one-time funds)
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General Fund funding has been budgeted as follows:
1.1010.0991.54011.A468520.SCO2

SUSTAINABLE OPPORTUNITIES

Economic: Community-based festivals and events bolster the cultural arts identity of Oakland and its neighborhoods, establish the city as a destination, attract foot traffic and positive media exposure, and help fuel economic development and community revitalization.

Environmental: There are no environmental opportunities or benefits resulting from any action outlined in this report.

Social Equity: The community organizations and events recommended for support add to existing cultural, economic and enrichment opportunities, thereby increasing the quality of life for Oakland residents and visitors. The community organizations and events reflect the broad cultural, ethnic and socio-economic diversity of Oakland.

For questions regarding this report, please contact Samee Roberts, Marketing Manager, Department of Economic & Workforce Development at 510-238-2136.

Respectfully submitted,



KELLEY KAHN
Director
Department of Economic & Workforce
Development

Prepared by:
Samee Roberts, Marketing Manager
Cultural Arts & Marketing

Attachments:

- A: FY 03-04 through FY 08-09 PRSF Funding by Event**
- B: FY 12-13 Measure C PRSF Allocations (Actuals)**
- C: FY 13-15 Measure C – Funded City Programs**
- D: FY 13-14 Measure C PRSF Allocations (Projected)**

ATTACHMENT A

Parades Runs and Street Festival Fund

FY 03 - 09 Allocations (Based on the requirements for the specific event/year)

		FY 03 - 04	FY 04 - 05	FY 05 - 06	FY 06 - 07	FY 07 - 08	FY 08 - 09
Chinatown Street Festival	August	\$20,000.00	\$20,000.00	\$ 20,000.00	\$16,925.32	\$16,036.15	\$14,835.24
Sistah's Steppin' in Pride	August	did not occur	\$4,553.61	\$ 974.30	\$2,336.01	no request received	\$1,592.15
East Bay Pride	September	\$6,935.70	did not occur	did not occur	did not occur	did not occur	did not occur
Black Cowboy Parade	October	\$9,101.60	\$12,310.35	\$ 11,500.00	\$9,174.03	\$9,500.00	\$9,500.00
Dia de los Muertos	Oct/Nov	\$20,000.00	\$20,000.00	\$ 20,000.00	\$17,000.00	\$20,000.00	\$20,000.00
Oakland Holiday Parade	December	\$20,000.00	\$20,000.00	\$ 20,000.00	\$17,000.00	\$20,000.00	\$20,000.00
Chinatown Lunar New Year Parade	January / Feb.	\$7,342.20	\$7,237.28	\$ 7,200.00	\$7,200.00	\$6,037.48	see note below
Vietnamese Tet Festival	January / Feb.	did not occur	did not occur	\$ 1,597.41	\$2,378.08	did not occur	did not occur
Cinco de Mayo	May	\$20,000.00	\$20,000.00	\$ 20,000.00	\$20,000.00	\$20,000.00	see note below
Carijama	May	\$18,500.00	\$10,241.54	see note below	did not occur	did not occur	did not occur
Malcom X Jazz Arts Festival	May	\$1,500.00	\$1,500.00	did not occur	\$1,500.00	\$1,833.84	see note below
Blues and Jazz at Dunsmuir	May	did not occur	did not occur	did not occur	did not occur	did not occur	see note below
Temescal Street Fair	June	did not occur	\$2,000.00	see note below	see note below	see note below	see note below
TOTAL		\$123,379.50	\$117,842.78	\$101,271.71	\$93,513.44	\$93,407.47	\$65,927.39

- Notes:**
 FY 04 - 05: payment for Carijama was to pay for past due invoice to OPD, event did not take place after May 2004
 FY 04 - 05: East Bay Pride was suspended after September 2003. Oakland Pride established in 2010.
 FY 05 - 07: Police services for Temescal StreetFest covered through Shop Oakland funds administered by marketing office
 FY 08 - 09: Oct. 21, 2008 - Council halted funding to PRSF during midcycle effective January 1 2009

FY 12-13 PRSF Allocations: (Actuals)

(\$10,000 cap per event)

Account code: 1.2419.02991.53311.P391870.SC02

Council appropriation: \$60,000.00

Event	Date of event	Department	Amt to pay	Notes
Temescal Street Fest	7/8/2012	Fire	\$1,096.00	Reimbursement made to Temescal BID
		OPD	\$300.00	Reimbursement made to Temescal BID
		Sound permit	\$30.00	Reimbursement made to Temescal BID
Laurel Street Fair	8/11/2012	Public Works	\$0.00	
		Fire	\$758.00	To be reimbursed to Laurel District Association
		OPD	\$300.00	To be reimbursed to Laurel District Association
		Sound permit	\$30.00	To be reimbursed to Laurel District Association
Chinatown Street Festival	8/25 + 8/26/2012	Public Works	\$0.00	
		Fire	\$0.00	
		OPD	\$10,000.00	To be reimbursed to Chinatown Chamber
Oakland Pride	9/2/2012	Public Works	\$0.00	\$436.80 actual
		Fire	\$0.00	\$1347.00 actual
		OPD	\$9,965.91	JVed to OPD
Black Cowboy Parade	10/6/2012	Public Works	\$0.00	
		Fire	\$0.00	
		OPD	\$1,732.33	To be reimbursed to Black Cowboy Parade Ass'n
KONO CultureFest	10/5/2012	Public Works	\$0.00	nothing incurred
		Fire	\$0.00	nothing incurred
		OPD	\$0.00	Same night as First Friday
Oaktoberfest	10/6/2012	Public Works	\$3,252.51	JVed to PWA
		Fire	\$1,598.00	JVed to Fire
		OPD	\$990.36	JVed to OPD
Rockridge Out and About	10/7/2012	Public Works	\$62.50	JVed to PWA
		Fire	\$1,214.00	JVed to Fire
		OPD	\$2,552.10	JVed to OPD
Dia de los Muertos	10/28/2012	Public Works	\$0.00	\$1696.11 actual
		Fire	\$0.00	
		OPD	\$10,000.00	Reimbursed to Unity Council
Holiday Parade	12/1/2012	Public Works	\$0.00	\$11,391.50 actual
		Fire	\$0.00	nothing incurred
		OPD	\$10,000.00	JVed to OPD
Chinatown Lunar New Year Bazaar	2/2 + 2/3/2013	Public Works	\$314.30	JVed to PWA
		Fire	\$0.00	nothing incurred
		OPD	\$5,794.62	JVed to OPD
Cinco-de-Mayo-festival	5/5/2013	Public-Works		Did not take place
		Fire		
		OPD		
Malcom X Jazz Festival	May 18, 2013	Park fee	\$1,330.00	JVed to Park & Rec
		Ranger fee	\$0.00	
TOTAL			\$59,990.63	

ATTACHMENT C

FY 13-15 Measure C - City Program Appropriations

Revenue

2419 - Transient Occupancy Tax (TOT) Surcharge \$ 370,381 (City programs)

Appropriations

P391850 - CULTURAL FUNDING PROGRAM	\$ 214,451	58%
P391860 - ART & SOUL FESTIVAL	\$ 95,930	26%
P391870 - PARADES, RUNS & FESTIVALS	\$ 60,000	16%
TOTAL	\$ 370,381	100.00%

FY 13-14 Proposed PRSF Allocations (projected) Attachment D

(Based on FY 12-13 actuals with \$10,000 cap)

Covers 64% of overall City costs

Account code: 1.2419.02991.53311.P391870.SC02

Council Appropriation **\$60,000.00**

Event	Date of event	Department	Estimated to pay	
Temescal Street Fest	7/7/2013	Fire	\$1,200.00	
		OPD	\$300.00	
Laurel Street Fair	8/10/2013	Public Works	\$1,500.00	
		Fire	\$650.00	
		OPD	\$300.00	
Chinatown Street Festival	8/24 + 8/25/2013	Public Works	\$0.00	
		Fire	\$0.00	
		OPD	\$10,000.00	
Oakland Pride	9/1/2013	Public Works	\$0.00	
		Fire	\$0.00	
		OPD	\$10,000.00	
Black Cowboy Parade	10/5/2013	Public Works	\$0.00	
		Fire	\$0.00	
		OPD	\$2,000.00	*Includes additional funds to expand 2013 parade footprint
Oaktoberfest	10/5/2013	Public Works	\$3,000.00	
		Fire	\$1,200.00	
		OPD	\$1,000.00	
Rockridge Out and About	10/6/2013	Public Works	\$0.00	
		Fire	\$0.00	
		OPD	\$2,500.00	
Dia de los Muertos	11/2/2013	Public Works	\$0.00	
		Fire	\$0.00	
		OPD	\$10,000.00	
Holiday Parade	12/7/2013	Public Works	\$0.00	
		Fire	\$0.00	
		OPD	\$10,000.00	
Chinatown Lunar New Year Bazaar	Feb. 2014	Public Works	\$350.00	
		Fire	\$0.00	
		OPD	\$6,000.00	
Malcom X Jazz Festival	May 17, 2014	Park fee	\$1,400.00	
		Ranger fee	\$0.00	
TOTAL			\$60,000.00	