

OFFICE OF THE CITY CLERK
OAKLAND
2005 OCT 13 PM 7:00

CITY OF OAKLAND
AGENDA REPORT

To: Office of the City Administrator
Attn: Deborah Edgerly
From: Community and Economic Development Agency
Date: October 25, 2005

Re: **STATUS REPORT ON SHOP OAKLAND CAMPAIGN AND
RESOLUTION AUTHORIZING FREE PARKING AT CERTAIN
CITY-OWNED PARKING GARAGES DURING THE 2005
HOLIDAY SEASON**

SUMMARY

Continuing an 11-year tradition under the Shop Oakland marketing campaign, staff has prepared a resolution authorizing free parking for six consecutive Saturdays at certain City-owned parking garages during the 2005 holiday season. Two of the four participating parking garages, Clay Street (City Hall) and Montclair, already offer free Saturday parking year-round. The revenue impact from the two other proposed garages, Frank G. Mar/1200 Harrison (Chinatown) and Franklin Plaza (downtown), will be minimal: \$1,600 total foregone revenue estimated for the six Saturdays between Thanksgiving and New Year's Day.

Brief reports on the two primary Shop Oakland projects, managed by the City's Cultural Arts and Marketing Division, Office of the City Administrator (CAO), and the Neighborhood Commercial Revitalization Unit (NCR), Community and Economic Development Agency (CEDA), are also included.

FISCAL IMPACT

Approval of this resolution will authorize free parking for six Saturdays beginning November 26, 2005 and ending December 31, 2005 at certain City-owned parking garages during the 2005 holiday season. It is estimated that the net cost of this authorized free parking for the Frank G. Mar/1200 Harrison (normally closed on Saturdays), and foregone revenues from the Franklin Plaza parking garages (normally open on Saturdays), will total approximately \$1,600. These costs and foregone revenues will be absorbed by the City's General Purpose Fund, (#1010) and Multipurpose Reserve Fund (#1750).

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BACKGROUND

The Shop Oakland Holiday Parking Program is a traditional component of the Shop Oakland campaign that encourages Oakland and local area residents and visitors to shop, dine and enjoy Oakland during the end-of-year holidays. Prior to the 2004 holidays, season patrons were provided:

- up to three (3) hours of free parking at designated City meters; and
- up to eight (8) hours of free parking at select, City-owned garages.

Free parking was available on Saturdays between Thanksgiving and New Year's Day. Participating garages traditionally have been Franklin Plaza (Downtown), Montclair, and 1200 Harrison (Frank G. Mar / Chinatown) public garages. The Clay Street Garage is included and has not charged for parking on Saturdays year-round since late 2001. To promote further use of off-street parking garages that are underutilized on weekends, store employees are encouraged to park in the garages and not in prime, on-street spaces.

Publicity for the program is done through the use of local newspapers, newsletters, KTOP and other television coverage, banners at the designated parking garages, merchant holiday advertisements, parking meter stickers, and via word-of-mouth. CEDA and CAO Marketing staffs ensure that Parking Enforcement officers as well as merchants and commercial district leaders are familiar with details of the parking program.

Results of Fall 2003 Survey and Restructuring of the Program

In Fall 2003, the Community Economic Development (CED) Committee requested that staff survey parkers to determine the effectiveness of the free-parking program.

Based on survey results, staff identified potential program modifications. At the CED Committee in June 2004, Council members voiced support to eliminate the free meter parking and retain the garage parking as "garage parkers" seemed to be aware of and appreciate the free parking much more than on-street "meter parkers." The Committee directed staff to return with a proposal to eliminate the free parking at metered spaces and propose new uses for the recaptured meter and parking enforcement monies to fund additional Shop Oakland marketing and merchant organization capacity-building activities.

Based upon Committee direction, staff's revised recommendation was approved by the City Council in November as follows:

1. Increase budgeted revenues by \$321,000 (projected recaptured meter and parking enforcement revenues).

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2. Appropriate funding to the CAO Marketing Division not to exceed \$160,000 for additional Shop Oakland marketing activities.
3. Appropriate funding to CEDA-NCR not to exceed \$155,000, and authorize a sole source contract to the Oakland Merchant Leadership Forum for Shop Oakland and merchant activities.

A. Marketing – Shop Oakland Campaign

The Shop Oakland campaign is sponsored by the City of Oakland in association with the Oakland Merchants Leadership Forum (OMLF). Shop Oakland is coordinated by the Cultural Arts & Marketing Division, Office of the City Administrator, in collaboration with the CEDA Economic Development Division. The program is funded by general funds and recaptured meter and parking violation revenues.

The additional \$160,000 appropriated by Council in November 2004 was earmarked to expand Shop Oakland from a holiday promotion to a full-scale, year-round consumer retail marketing campaign. The year-round campaign is set to launch in mid-November 2005 and will include special promotions during holidays, spring and fall/back-to school. During the past year, staff has crafted a comprehensive marketing plan and gradually strengthened the program to build up to this year's launch.

The mission of the Shop Oakland campaign is to drive people to Oakland stores; encourage Oakland residents to buy in Oakland – capture their dollars; and promote Oakland as a local/regional shopping destination.

The overall campaign theme centers on the importance of shopping locally by demonstrating how sales tax revenue supports quality of life and vital city services in Oakland. The campaign also attempts to debunk the myth that there is a lack of shopping in Oakland by uncovering the wide range of gifts/products that can be purchased from Oakland's 33 commercial shopping districts.

During FY 04-05, approximately \$65,000 of the \$160,000 was used to create new logos and graphics; initiate an upgrade of the Shop Oakland.com website to include a database of retail stores and products/gifts for purchase; initiate cooperative and promotional print advertising to support holidays 2004 and 2005 spring and fall back-to-school shopping; and provide marketing support for 10 merchant street fairs or public events.

During FY 05-06, all of the \$160,000, combined with the approximately \$95,000 carried over from FY 04-05 is being used to expand the campaign year-round. Specifically, the funds are being used to: create and purchase additional co-op print and promotional advertising during the holidays and year-round in local and regional publications including Oakland Magazine, Oakland Tribune, Chronicle Pink Section, Hills Newspapers, East Bay Express and multilingual/ethnic publications; finalize and launch

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the upgraded Shop Oakland.com website; implement an extensive outdoor advertising campaign utilizing bus shelters, bus benches, bus sides and billboards; produce three 30-second television commercials that will air on cable stations in four languages - English, Spanish, Vietnamese, and Chinese – starting with the 2005 holidays and continuing year-round; movie theater announcements; marketing support for 10 merchant street fairs or public events; provide grants to the six Business Improvement Districts for holiday lighting, decor and events; and publish a citywide shopping, dining and entertainment guide in Fall 2006.

B. CEDA/NCR – Sole Source Contract with OMLF for Merchant Organizing Activities

A Professional Service Contract with OMLF was executed in July 2005 for \$155,000 to provide organizational and leadership development to two merchant organizations.

Under the terms of the contract, OMLF will conduct an assessment of neighborhood and downtown commercial districts and select two commercial districts most suitable for intensive merchant organizing assistance based on criteria in the Main Street model for commercial district revitalization. In the selected districts OMLF will mobilize stakeholders, provide training and technical assistance in the area of meeting planning and facilitation, organization and leadership development.

OMLF will also develop management and fundraising plans and assist the selected merchant organizations in formalizing their organizational structures (e.g. incorporation to facilitate tax deductible donations and contributions) so the entities can continue neighborhood commercial district revitalization efforts after the OMLF contract period ends in August 2006.

An evaluation of the OMLF contract services will be provided to the City Council in September 2006.

PROJECT DESCRIPTION

The following City-owned garages will participate in the free Saturday parking element of the Shop Oakland program between Thanksgiving 2005 and New Years Day 2006:

- Clay Street Garage: The City already offers free Saturdays under the Shop Oakland Program.
- Frank G. Mar/1200 Harrison: Normally closed on Saturdays. A \$700 cost is projected, reflecting only the cost of staffing the garage.
- Franklin Plaza (Downtown): Normally open on Saturdays. A net revenue loss of \$900 is projected (projected revenues less cost of staffing the garage).

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- Montclair: The City already offers free Saturdays under the Shop Oakland Program.

Accordingly, the net revenue loss to the City under this program is estimated to be \$1,600.

SUSTAINABLE OPPORTUNITIES

Economy. By marketing Oakland as a shopping destination and by helping the City's merchants, the Shop Oakland campaign works to support and grow Oakland's retail businesses, expand shoppers' awareness of Oakland as a convenient place to shop, and increase the City's sales tax revenues. Retail businesses contribute to the vitality of the City through sales tax contributions and neighborhood vibrancy; employ Oaklanders, providing entry level through management positions; and provide entrepreneurship opportunities for the self-employed.

Environment. Shopping close to home means less driving overall, and the Shop Oakland Parking Program makes it easy for shoppers to park in a garage for a long time, thus encouraging them to "bundle" holiday shopping trips and errands.

Equity. The Shop Oakland campaign supports shopping districts citywide in marketing holiday shopping and entertainment activities, and enhances the City's work to bring vitality and retail shopping opportunities to the City's neighborhood commercial districts.

DISABLED AND SENIOR CITIZEN ACCESS

The City-owned garages participating in the Shop Oakland free parking program have handicapped parking, accessible elevators and are located close to shopping areas, resulting in convenient access to parking for disabled persons and senior citizens.

RECOMMENDATION AND RATIONALE

This report requests Council to authorize eight-hour free parking at the Franklin Plaza and Frank G. Mar/1200 Harrison (Chinatown) garages each Saturday effective November 26 through December 31, 2005. The Shop Oakland Parking Program supports Oakland businesses in competing with surrounding areas and shopping malls during the holiday shopping season, and serves as an effective goodwill gesture on the part of the City. The program is an integral part of the Shop Oakland campaign.

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ACTION REQUESTED OF THE CITY COUNCIL

Staff recommends that the City Council authorize free parking at certain City-owned parking garages during the 2005 holiday season.

Respectfully submitted,



DANIEL VANDERPRIEM

Director, Redevelopment, Economic
Development and Housing

Community and Economic Development
Agency

Reviewed by:

Patrick Lane, UEA IV
Redevelopment/Central City

Prepared by:

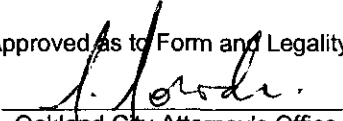
Deborah V. Acosta, UEA III
Redevelopment/Central City

APPROVED AND FORWARDED TO THE
COMMUNITY & ECONOMIC DEVELOPMENT COMMITTEE:


Cheryl A. P. Thompson
OFFICE OF THE CITY ADMINISTRATOR

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Approved as to Form and Legality


Oakland City Attorney's Office

OAKLAND CITY COUNCIL

Resolution No. _____ C.M.S.

Introduced by Councilmember _____

RESOLUTION AUTHORIZING FREE PARKING AT CERTAIN CITY-OWNED PARKING GARAGES DURING THE 2005 HOLIDAY SEASON

WHEREAS, the Shop Oakland campaign is coordinated by the Cultural Arts & Marketing staff in collaboration with Community & Economic Development Agency (CEDA) staff, in association with Oakland Merchants Leadership Forum (OMLF) volunteers, as a newly year-round consumer retail marketing campaign; and

WHEREAS, the mission of the Shop Oakland campaign is to encourage people to patronize stores and businesses in Oakland, to encourage Oakland residents to buy in Oakland, and to assist merchants in their marketing and promotional efforts; and

WHEREAS, the 2005 holiday season City-funded Shop Oakland component is to include free parking, an expanded print advertisement and extensive outdoor advertising campaign, launch of the expanded ShopOakland.com website, television commercials in four languages, movie theater announcements and grants to the six Business Improvement Districts for holiday lighting and décor; and

WHEREAS, as part of the campaign, the Shop Oakland Holiday Parking Program offers patrons free parking up to eight (8) hours at select City-owned garages; and

WHEREAS, along with the other campaign components, the parking program furthers City leaders' goal of revitalizing Oakland's commercial districts; and

WHEREAS, Shop Oakland is funded by general funds and recaptured meter and parking violation revenues; and

WHEREAS, it is estimated that revenues at parking garages amounting to one thousand six hundred dollars (\$1,600), will be foregone during the duration of the Shop Oakland Holiday Parking Program; and

WHEREAS, the Shop Oakland Holiday Parking Program revenue impact has already been factored into the 2005-2007 estimated revenues for both the General Fund (#1010) and Multi-Purpose Reserve Fund (#1750) and will not create an imbalance in these funds; and

WHEREAS, the Shop Oakland Parking Program is a tangible way the City shows its goodwill, providing an extra incentive for patrons to shop in Oakland; now, therefore, be it

RESOLVED: That the City Administrator is hereby authorized to allow eight-hour free parking at the Franklin Plaza and 1200 Harrison (Chinatown) garages each Saturday from November 26 through December 31, 2005 for the 2005 Shop Oakland program.

IN COUNCIL, OAKLAND, CALIFORNIA, _____, 2005

PASSED BY THE FOLLOWING VOTE:

AYES - BRUNNER, KERNIGHAN, NADEL, QUAN, BROOKS, REID, CHANG, AND
PRESIDENT DE LA FUENTE

NOES -

ABSENT -

ABSTENTION -

ATTEST:

LATONDA SIMMONS
City Clerk and Clerk of the Council of
the City of Oakland, California