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2004 JAN 15 PM 6:37

CITY OF OAKLAND
AGENDA REPORT

TO: Office of the City Manager
ATTN: Ms. Deborah Edgerly
FROM: Office of the City Manager
DATE: January 27, 2004

**RE: An Informational Report from the City Manager on Bingo Activities
in 2003**

SUMMARY

The Special Activity Permit Unit of the City Manager's Office is the oversight agency for bingo games in the City of Oakland. In 2003, fourteen (14) non-profit organizations, including one senior citizen organization, conducted bingo games at four locations. California Penal Code Section 326.5 and Chapter 5.10, Title 5 of the Oakland Municipal Code are the governing regulations for bingo games. The Special Activity Permit Unit of the City Manager's Office is the agency responsible for the issuance and oversight of bingo permits.

The gross receipts from bingo games in 2003 increased by **\$12,907,082.00** dollars compared to 2002. The increase in gross receipts is rather surprising considering the depressed national, state, and local economies. Due to the increase in gross receipts, **\$12,310,044.00** in prizes was paid to bingo patrons and **\$108,699.00** was donated to external organizations or persons in 2003 by bingo organizations.

Bingo games were conducted in smoke free facilities during 2003. However, one (1) smoking complaint regarding smoking outside of a bingo hall was received and resolved during 2003. Five (5) complaints were received from patrons regarding bingo games, resulting in three (3) public hearings. Major concerns of bingo operators continue to be the very high expenses paid for rent and bingo supplies, and the increasing number Indian gaming facilities. The Division of Gaming of the Department of Justice for the State of California is still exploring the creation of a state commission that would regulate bingo games. A state gaming agency would help standardize the operation of bingo games in

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California, and serve as a vehicle to address the impact on Indian gaming and bingo games throughout the state.

RECOGNITION OF BINGO ORGANIZATIONS

Recognition is given to all bingo operators at the following halls for their significant donations in 2003 to improve the quality of life for Oakland residents:

- **Durant Square Bingo Hall**
- **Foothill Square Bingo Hall**
- **Fruitvale Bingo Hall**
- **East Oakland Senior Center**

Special recognition is given to **Community Charities of Durant Square Bingo Hall** as the Bingo Organization of the Year for its donation of **\$49,000.00** to assist Oakland homeless or low-income citizens to meet daily and emergency necessities. Community Charities has consistently supported the Oakland community, including the Oakland public schools and citizens who have no other community resources available. Special recognition is also given to **BCD&R Society and Kids Educational Development Scholarships of Foothill Square Bingo Hall**, which donated **\$40,000.00** and **\$9375.00**, respectively. The generous donations by these bingo organizations helped improve the quality of life for numerous citizens in need, particularly during the Holiday Season. Further the payment of **\$12,310,444.00** in prize money during 2003 helped the Oakland economy as a substantial portion was paid to Oakland citizens.

FISCAL IMPACTS

Bingo games in 2003 had gross receipts of **\$25,465,149.00**. Of this amount, **\$12,310,444.00** was paid out in prize money to bingo patrons. Although it is impossible to calculate the precise impact, a significant amount of the prize money was paid to Oakland residents and infused into the Oakland economy. Bingo games serve as the major fund-raising vehicle for several non-profit organizations that use the net proceeds for various charitable purposes. In 2003, bingo operators had a net profit of **\$332,899.00**, and **\$108,699.00** was spent on charitable activities affecting Oakland residents.

BACKGROUND

In 2003, fourteen (14) organizations conducted bingo games in the City of Oakland at the following locations:

- **Durant Square Bingo Hall** at 10970 International Boulevard
- **Foothill Square Bingo Hall** at 10700 MacArthur Boulevard
- **Fruitvale Bingo Hall** at 1228-36th Avenue
- **East Oakland Multipurpose Senior Center** at 9255 Edes Avenue

A permit from the City Manager is required for each organization that conducts bingo games in the City of Oakland. Further a permit is required of each organization or person that operates a bingo hall. Both of these permits are renewed annually. Due to changes in the City's bingo ordinance in 2003 allowing organizations to conduct bingo games more than two days per week, several organizations ceased operating bingo games as fewer organizations were needed to conduct bingo games in bingo halls in a recessed economy. However, the number of operators conducting games in the City of Oakland remained higher than in other cities due to the fact that we have more bingo halls than most cities in the Bay Area.

KEY ISSUES AND IMPACTS OF THOSE ISSUES

FUND-RAISING

Fourteen (14) non-profit organizations used bingo games as the major fund-raising source in 2003. Bingo games produced gross receipts of **\$25,465,149.00** in 2003.

Notwithstanding the payout of **\$12,310,444.00** in prize money and an additional several million dollars in expenses (rental of bingo halls, bingo supplies, insurance, and security), bingo organizations raised **\$332,899.00** and **\$108,699.00** was used for charitable purposes in the City of Oakland in 2003. Bingo games were a major source of fund-raising for several non-profit organizations in 2003. It is expected that bingo games will continue to be a viable fund-raising source in 2004.

IMPACT ON LOCAL ECONOMY

Bingo games paid out **\$12,310,444.00** in prize money to patrons in 2003. Many of these patrons were Oakland residents who spent a significant amount of this money in the City of Oakland. Further, non-profit organizations raised money from bingo games to support charitable activities. It is expected that organizations that raise funds for charitable activities from bingo games conducted in the City of Oakland use a substantial portion of such funds for charitable activities in our city. Bingo organizations raised **\$332,899.00** for charitable purposes. While some of the money was used by these organizations to carry out their specific charitable purposes, **\$108,699.00** was donated to external organizations or persons in 2003. A substantial portion of this amount was donated to benefit transient and low-income persons who had no other available community resource.

SUSTAINABLE OPPORTUNITIES

In 2003, bingo operators contributed **\$108,699.00** to assist Oakland citizens who had no other available community resources to help them. This contribution to citizens of a disadvantaged community was a tremendous social equity and benefit for the City of

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Oakland. It is expected that bingo operators will continue to assist disadvantaged citizens in 2004.

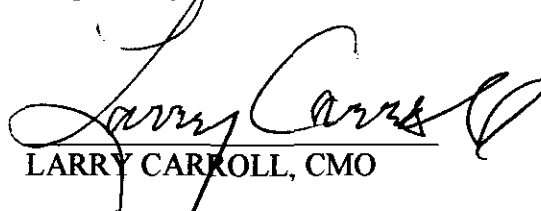
DISABILITY AND SENIOR CITIZEN ACCESS

There are no disability and senior citizen access concerns raised in this report.

ACTION REQUESTED OF THE CITY COUNCIL

Staff requests that the Council accept this informational report on bingo activities in 2003.


Respectfully submitted,



LARRY CARROLL, CMO

Prepared by: Larry Carroll
Administrative Hearing Officer
Special Activity Unit, CMO

**APPROVED AND FORWARDED TO THE
PUBLIC SAFETY COMMITTEE.**



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