



2019 FEB 28 PM 2: 26

699 Bellevue Avenue
Oakland, CA 94610
Phone: (510) 452-2209
Fax: (510) 452-2261
Voice Mail: (510) 238-6878
www.fairyland.org

Case for Increasing City of Oakland Investment in Children's Fairyland

Children's Fairyland is an early learning family destination owned by the City of Oakland and operated by Oakland Children's Fairyland, Inc. (Fairyland), a 501(c)(3) organization. In addition to underwriting the cost of the park's utilities, the City of Oakland currently provides \$136,500 annually to Fairyland; \$83,000 is awarded per the operating agreement and \$53,500 through the two-year budget. The budget allocation is never guaranteed, however, and was reduced by 25% a number of years ago. As Fairyland's attendance, community outreach and expenses have grown, the City's payment has not. What represented, in 2005 when the current operating agreement was initiated, 9.5% of Fairyland's total budget (\$1,442,104) is now only 4.3% of the FY18/19 12-month budget (\$3,117,672).

Providing assured funding, with a cost of living adjustment built in, would allow Fairyland to effectively plan for the future. Fairyland's successful track record in greatly improving the City's property while creating numerous programs for Oakland's underserved kids should demonstrate that the funding will be thoughtfully and effectively spent.

Much of what Children's Fairyland is able to do for the Oakland community could not be accomplished without the generosity of donors. Contributions help maintain admission fees that are affordable for many families and provide free admissions and educational programs for those who needed a helping hand. Donations are also used to enhance and upgrade park facilities, assuring that Fairyland will remain vital for future generations. But with two of our local foundations closing and local government now seeking donations to fund early childhood education and homeless initiatives, raising contributions has become more challenging.

Fairyland's Economic Impact for the fiscal year ending June 30, 2018

Fairyland creates good, local jobs, attracts more visitors to Oakland and increases overall tax revenues for City services. Here are some specific economic impacts:

Fairyland's Local Economic Impact by the Numbers

\$2,322,924 in employee salaries and benefits paid at living wage standard or higher

54% of employees are Oakland residents

\$1,088,608 paid in local/regional purchases of food, supplies, & facility maintenance

210,000+ annual visitors

\$142,000 estimated parking fees to Oakland Parks and Rec dept. from Fairyland visitors

\$23,894 in ticket donations to local and regional nonprofits

Fairyland’s Community Outreach and Education for the fiscal year ending June 30 2018

Fairyland provided free field trips, free individual admissions, subsidized family memberships, and educational programs for 10,394 Bay Area individuals, 7,715 of whom were from Oakland. The total value for the Bay Area was \$172,469, and \$129,934 for Oakland alone.

The following chart shows the actual numbers and dollar value for Oakland residents.

Program	Oakland Attendees	\$ Value Oakland
Free Field Trips	4,451 (65% of total)	\$79,249 (82% of total)
Educational Programs	1,278 (99% of total)	\$29,025 (68% of total)
Free Individual Admissions	906 (60% of total)	\$9,060 (60% of total)
Subsidized Members	540 (68% of total)	\$12,600 (68% of total)
Total	7,715 (69% of total)	\$129,934 (75% of total)

The greatest source of Fairyland’s overall revenue is admission fees, which are dependent on the quality of the visitor experience. Fairyland’s aging facilities and ever increasing maintenance and insurance costs place increasing demands on the budget. The dramatic increase in activity at Lakeside Park—including the large homeless population—has overtaxed both our security and custodial abilities to adequately maintain the City’s property, and detracts from the visitor experience.

Fairyland aspires to continuing its positive growth and commitment to our City’s underserved. Additional investment in our aging facility would ensure the park’s safety and security, in addition to enhancing visitor experience and maximizing earned revenue.

Why increase the City of Oakland’s investment in Children’s Fairyland?

1. As presented in the arguments for Measure C which provided transient occupancy tax revenue to several City-owned attractions, but excluded Fairyland, an increased investment by the City of Oakland will create good, local jobs, attract more visitors to Oakland and increase overall tax revenues for City services.
2. Oakland families with young children benefit when they spend time at Fairyland.
 - a. 80% of brain development takes place in the first three years of life.
 - b. Talking, reading, and singing to babies and toddlers helps develop language skills, and research demonstrates there is a significant gap in vocabulary between children of professional parents and those receiving public assistance.

- c. Ensuring that children living in poverty have the same informal learning opportunities as their more affluent peers will make a difference in their kindergarten readiness and educational outcomes.
 - d. Fairyland's engaging and language-rich environment stimulates a child's creativity, imagination, and desire to learn. Additional support will enable Fairyland to expand access with subsidized admissions and memberships, as well as with special educational and therapeutic programs.
 - e. This investment will help ensure safe, accessible activities and recreation outside of school for Oakland children, in a city that will see dramatic growth in families living downtown.
3. It will provide significant public relations value to the City
 - a. Children's Fairyland reinforces Oakland's family- friendly image to the world.
 - b. Fairyland is a valuable asset that enhances the quality of life of Oakland residents as well as attracting a large number of visitors to the City of Oakland.
 - c. This economic investment in Fairyland will enhance the City's attractiveness to young families and visitors, and provide employment and enrichment to the city's residents.
 4. It will help offset the reality of ever-increasing costs of maintenance and operations which directly impacts the viability of one of Oakland's most treasured institutions
 - a. Until 1994, the City ran Children's Fairyland until it no longer had the funds to adequately maintain it. The nonprofit Oakland Children's Fairyland, Inc. has brought it back, and added many new features, but it is far more expensive to operate Fairyland in 2018.
 - b. The costs to maintain Fairyland's buildings and attractions have skyrocketed. Due to insurance costs and risk exposure, it is no longer feasible for volunteer work to take on facilities projects as occurred in Fairyland's early days. By far, the most common negative feedback we receive on social media are comments on the Fairyland's "run down" appearance.
 5. Dramatically increased activity in Lakeside Park—recreational, event rentals, drug use, and homeless encampments—has increased risk to Fairyland people and property
 - a. The security and the safety of our visitors, staff, animals and facilities has become a serious issue

- b. We don't have adequate budget for onsite security. Other Oakland-owned, nonprofit-operated facilities (Chabot Space & Science Center and Oakland Zoo) have security personnel on staff. No doubt their current annual funding of \$750,000 from Measure C contributes to this important expenditure, one which Fairyland cannot afford.

What an annual investment of \$283,000 will help accomplish!

1. Address facility, visitor, and staff safety with:
 - a. Additional security lighting around the perimeter of Fairyland to protect both employees and Lakeside Park visitors.
 - b. Additional staff position(s) to provide enhanced security.
2. Update Fairyland's technology infrastructure
 - a. Phones, internet, wifi, POS systems, and database systems are out-of-date and require major investments.
3. Increase Fairyland's deferred maintenance funds to:
 - a. Repair and enhance Fairyland sets, features, and grounds.
 - b. Fund a long list of capital improvement projects that are beyond Fairyland's ability to fund. Donors do not typically fund deferred maintenance costs such as fencing, security, plumbing and electrical.
 - c. Improve and restore facilities that will be noticed by the public and will be reflected in increased attendance.
4. Expand Community Outreach and Education programs
 - a. Fairyland was able to serve 10,394 individuals in the 2017/18 fiscal year with free admission and educational programs.
 - b. With additional funds Fairyland can go deeper with individual families as well as targeting communities of greatest need with expanded programs and partnerships, including the Brilliant Baby program of Oakland Promise. All facility improvements will ensure a safe environment for our youngest citizens.
5. Enable Fairyland to innovate:
 - a. Updating and creating new sets and programs will drive attendance and increase revenue.