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CITY OF OAKLAND
Agenda Report

To: Office of the City Manager
Attn: Deborah Edgerly
From: Community and Economic Development Agency
Date: June 8, 2004
Re: Information Report on Shop Oakland Holiday Free Parking Program
Survey Results

SUMMARY

For the past ten years, as part of the Shop Oakland campaign, the City of Oakland has authorized "free parking" on the Saturdays between Thanksgiving and New Year's Day. Parkers are offered three (3) free parking hours at designated parking meters and eight (8) hours at select City-owned garages. In Fall 2003, Council requested staff to survey parkers to determine the effectiveness of the program. People were asked whether they knew about the "free parking" program and whether its availability affected their decision to shop in Oakland. This report provides a summary of the survey. Program recommendation options for the coming holiday season are detailed on pages six and seven.

FISCAL IMPACT

It is estimated that revenues amounting to \$321,000 from parking meters and parking citations, and revenues from parking garages estimated at \$23,000, for a total of \$344,000, are foregone during the duration of the Shop Oakland Holiday Parking Program.

Since Shop Oakland is an annual program, the revenue impact is factored into the estimated revenues for both the General Fund and Multi-Purpose Reserve Fund, where these revenue sources are deposited. Therefore, implementing this program does not create an imbalance in these funds.

BACKGROUND

The Shop Oakland campaign is sponsored primarily by the City of Oakland and the Oakland Merchants Leadership Forum (OMLF) and funded by Community Development Block Grant, Redevelopment and general funds, and private contributions raised by OMLF. Shop Oakland is coordinated by staff of Cultural Arts & Marketing, CEDA Business Development and by OMLF volunteers. The mission of Shop Oakland is to encourage people to patronize stores and businesses in Oakland to promote Oakland as a regional shopping destination (see www.ShopOakland.com).

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A component of the campaign is the Shop Oakland Holiday Parking Program. As a gesture of the City's goodwill and to encourage Oaklanders, area residents and visitors to shop, dine and enjoy Oakland during the end-of-year holidays, the program offers patrons 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 on Saturdays, between Thanksgiving and New Year's Day. Garages participating in the program have been Franklin Plaza (Downtown), Montclair, and 1200 Harrison (Chinatown) public garages. The Clay Street Garage 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, 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 removable stickers on meters, local newspapers, newsletters, KTOP and other television coverage, banners at the designated parking garages, merchant holiday advertisements, and via word-of-mouth. CEDA and Cultural Arts & Marketing staff ensure that Parking Enforcement officers as well as merchants and commercial district leaders are familiar with details of the parking program.

KEY ISSUES AND IMPACTS

Survey Background

In Fall 2003, Council requested staff to survey parkers to determine the effectiveness of the program. Staff quickly prepared an informal survey and distributed it through internal mechanisms, thus results should not be seen as conclusive or exhaustive.

Five hundred thirty-two surveys were distributed during the 2003 end-of-year holidays from November 29 through December 27. This corresponds with the time period of the marketing campaign to promote the use of off-street parking garages on weekends and to familiarize Parking Enforcement officers, merchants, and commercial district leaders with details of the parking program.

The surveys were distributed at two parking garages, the Franklin Plaza and 1200 Harrison (also known as Frank G. Mar), and at various stores in eight shopping districts: Dimond, Fruitvale, Grand/Lakeshore, Jack London Square, Laurel, Piedmont Avenue, Rockridge and Temescal. They also appeared in local newspapers: *The Oakland Tribune*, *East Bay Express*, and *The Montclarion*.

Surveys at the garages were taken on Saturdays. Garage parkers received the survey when they entered the garage and deposited it upon exiting in their car. In the commercial districts, shop

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owners involved in the promotion asked customers to fill out the survey while they were in the store. Newspaper readers were offered a chance at winning two free airline tickets on Southwest if they completed and mailed in the survey.

The following table shows the number of completed surveys returned from the respective locations:

	Number of Surveys Returned
Franklin Plaza garage	260
1200 Harrison garage	129
Merchants	118
Newspapers	25
TOTAL	532

Nearly three-quarters of all surveys came from the two garages due probably to a special effort on the part of the Franklin Plaza and 1200 Harrison garage staff. Surveys were also delivered to the Montclair garage, however none were completed. Surveys from merchants were similarly disposed, coming from primarily one or two sources in each district. Some of those sources were destinations that people probably would have gone to regardless of free parking. The newspapers returned an insignificant number of surveys. Since the surveys came from non-random samples, the results of the program are difficult to gauge.

Report Findings

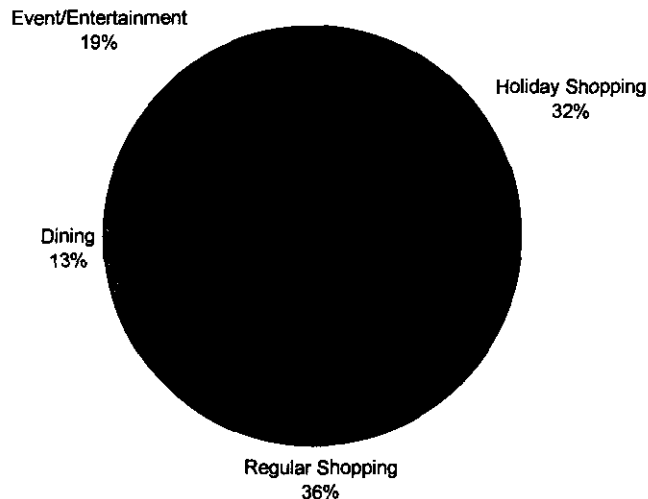
People were given several options to choose for each question on the survey and were asked to select the most applicable answer. For the first question, however, people could choose multiple reasons for coming to the district. In addition, the question left a blank space for recipients to write in the name of the district they were visiting.

District Identity. Very few people coming to Downtown identified it as a district. Franklin Plaza parkers typically omitted naming a district, or else they wrote down a specific destination such as "dentist" or "hat shop." 1200 Harrison parkers were more likely to fill in the space with a district, most often noting Chinatown. Downtown was rarely mentioned and Old Oakland, City Center, and Uptown never. In contrast, at least half of the merchant shoppers identified the shopping district they were in.

Trip Purpose. Though not significant majorities, holiday and regular shopping were the biggest draws, followed by special event/entertainment, then by dining. There may have been some confusion about what constituted a special event. About 10% of the write-ins mentioning a dental visit or LSAT test as the purpose of their visit also selected "special event/entertainment" as a reason for being in the district.

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Trip Purpose



Shop Oakland Holiday Parking Program Awareness. The survey asked parkers if they were aware that the City offered free parking during the holidays at designated meters and City garages in the shopping district. Assuming that people responding to the question understood it to mean knowing about the parking program before their visit that day, overall response was approximately 50/50 for those who knew about the program (prior to the survey) and those who did not. Collection points looked at individually, though, were more varied in response. More than half of the newspaper readers and merchant shoppers knew about the free parking. Almost two-thirds of the 1200 Harrison patrons also knew, but nearly the same percentage of Franklin Plaza patrons did not.

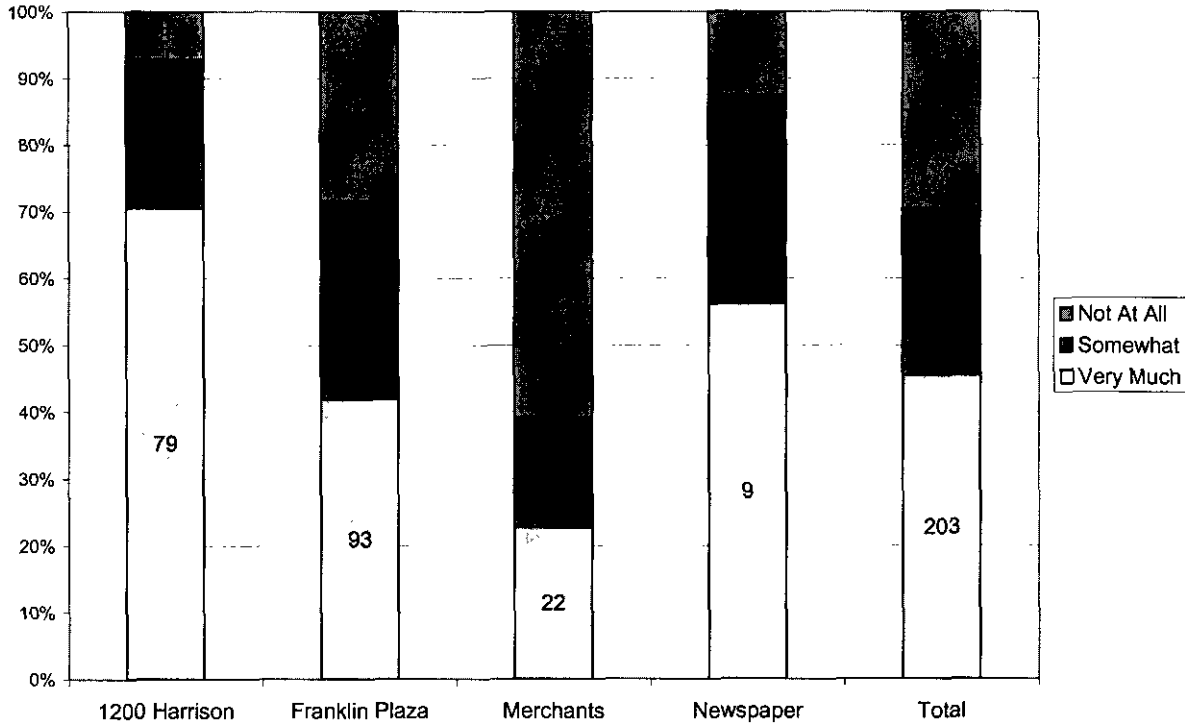
We are not sure if the 1200 Harrison parkers were answering based on banners, etc. they saw at the garage upon entering as opposed to learning about the parking program through advertising or other means. Merchant recipients could have been told at the time of completing the survey. Newspaper recipients could have known because they read the ad.

Shop Oakland Holiday Parking Program Importance. Respondee who answered yes to knowing about the parking program were then asked how much the free parking contributed to their decision to come to the shopping district that day. The free parking program was very important to 79 Harrison garage parkers, or 71%, and somewhat important to 25 of them, or 22%. For parkers at Franklin Plaza the program was very important to 93 of them, or 42%, somewhat important to 66 or 30% and not at all important to 63 or 28%. Fifty-nine merchant shoppers, more than half (61%), said the free parking did not contribute to their decision to come to the district that day.

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Although this question was directed at those who said they knew about the program prior to their visit, many who said they had been unaware of the program beforehand also replied to the question and said that free parking had been a very important or somewhat important factor in coming to the district that day. On the surface, the response makes little sense, but it could be taken as an indication of the goodwill generated, or a willingness to make future holiday shopping trips due to free parking.

Importance of Free Parking by Location

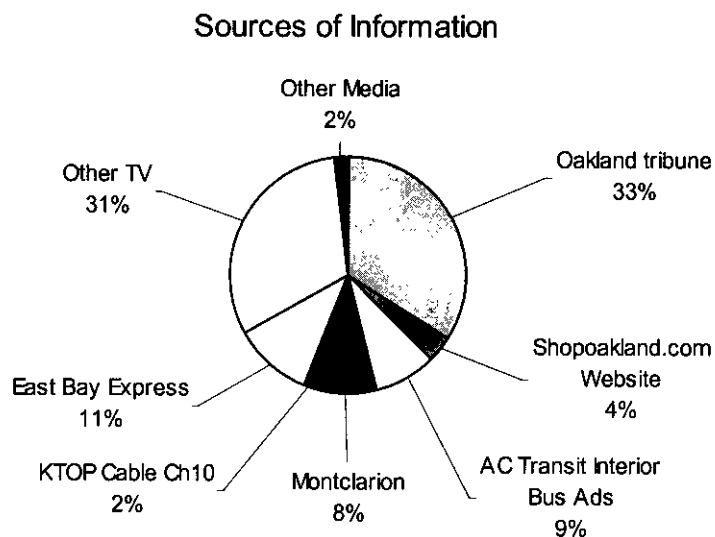


Persons per Vehicle. Cars parked at Franklin Plaza had a higher occupancy rate than those parked at 1200 Harrison, with an average number of persons per vehicle of 2.9 at the former and 1.9 at the latter. Merchant shoppers and newspaper respondents were not asked how many passengers they had.

Mode of Transportation. By far, most non-garage shoppers (79%) came by car. Walking, at 19%, was the next most frequent means of arrival. Public transit was insignificant.

Source of Information. *The Oakland Tribune* garnered about one-third of recipients' attention and "Other TV" almost another third. Next in order of media importance were *East Bay Express* (11%), AC Transit interior bus ads (9%), and *The Montclarion* (8%). These shares have implications for more targeted advertising.

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Activity Clusters. Many parking garage parkers said they were coming Downtown anyway to go to dentist appointments, go to work, or do their regular shopping in Chinatown. Even so, they said the free parking was important to them.

Options for Next Steps

Option A - Make no changes to the program. Keep the program as it is for another year, continue marketing and conduct another survey. Since the foregone revenue has already been factored into the 2003-2005 estimated revenues for both the General Fund and Multi-Purpose Reserve Fund, where these revenue sources are deposited, the program might as well be promoted for another year to see if its level of effectiveness can be raised. The surveys indicate that the parking program is an effective goodwill gesture and an incentive for future holiday shopping trips for a significant minority of shoppers.

Future Questions. The following changes are suggested for future surveys to add informational value and help clarify responses.

- Additional questions:
 - "Where did you shop today?"
 - "How much did you spend?"
 - "How many people were in your car?" for merchant area shoppers
- Changes to existing questions and answers:
 - Add "Medical Appointments" and "Other" to the list of reasons for coming to the shopping district.

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- Substitute "Car" for "Own Vehicle" and delete "Carpool" from means of transportation.
- Change program awareness question to "Before coming to the garage/district today and seeing the banners and signs, did you know about the free parking program?"
- Change "Other TV" to "Broadcast TV" and add "Other" to the answers for source of information.

Option B - Change the program. Keep the free parking in the garages but not at the meters. The program costs an estimated \$321,000 in lost revenues from parking meters and parking citations. Since 61% of merchant area shoppers said that free parking was not important to their trip, and they primarily use metered parking, the cost of the program outweighs any direct benefits. By comparison, the lost revenue from garages is only an estimated \$23,000, but a clear majority of 1200 Harrison garage parkers said that free parking was very important in their decision to come to the district, and a sizable minority of Franklin Plaza parkers said the same.

Option C - Discard the program altogether. Although the Holiday Parking Program has been a regular occurrence for the last ten years, only 50% of all respondees know about it. Except for the 1200 Harrison garage, the surveys are inconclusive about the effectiveness of the program, which costs an estimated \$343,000 in lost revenues per year.

SUSTAINABLE OPPORTUNITIES

The Shop Oakland campaign supports the City's 3 Es: economy, environment and equity.

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 limitless 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 one place 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

This is not applicable.

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RECOMMENDATION AND RATIONALE

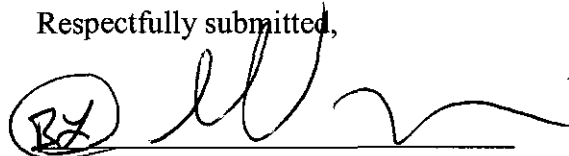
This informational report provides information requested by Council on the next steps that could be taken by the City as outlined in Options For Next Steps. The options outline three possible courses of action concerning the Shop Oakland Holiday Parking Program. They are to (a) continue the program as it is, (b) continue the program only at the garages and not at the meters, and (c) discard the program completely.

Staff recommends Council accept the information presented in this report. In the fall when the annual Shop Oakland Holiday Free Parking Program request comes to Council, staff will recommend authorization to continue to actively market and operate the program as-is for the 2004 holiday season since the foregone revenue has already been factored into the 2003-2005 estimated revenues for both the General Fund and Multi-Purpose Reserve Fund, where these revenue sources are deposited.

ACTION REQUESTED OF THE CITY COUNCIL

Accept the information presented in this informational report.

Respectfully submitted,



DANIEL VANDERPRIEM

Director, Redevelopment, Economic Development
and Housing
Community and Economic Development Agency

Prepared by:

Bill Lambert, Economic Development Manager
Keira Williams, Urban Economic Analyst

APPROVED FOR FORWARDING TO THE
COMMUNITY AND ECONOMIC DEVELOPMENT COMMITTEE:


Office of the City Manager

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June 8, 2004

Attachment 1

Parking Survey Results

	1200 Harrison	Franklin Plaza	Merchants	Newspaper	Total	%
Number of Surveys	129	260	118	25	532	
%	24%	49%	22%	5%		
1. What brought you to the shopping district today?						
Holiday Shopping	40	64	49	na	153	32%
Regular shopping	51	50	69	na	170	36%
Dining	17	36	8	na	61	13%
Event/Entertainment	20	64	9	na	93	19%
Total	128	214	135		477	
2. How many passengers are in your vehicle including yourself?						
Total number of persons in vehicles	243	484	na	na	727	
Average per vehicle	1.9	2.9	na	na		
3. How did you get here today?						
Own vehicle	na	na	92	na		
Walk	na	na	22	na		
Bus	na	na	1	na		
BART	na	na	0	na		
Carpool	na	na	2	na		
Bike	na	na	0			
Total Answers for this question			117			
4. Were you aware that the City of Oakland offers free parking during the holidays at designated meters and City garages in this shopping district?						
Yes	80	99	68	15	262	49%
No	47	163	50	10	270	51%
Total	127	262	118	25	532	
% Yes	63%	38%	58%	60%		
% No	37%	62%	42%	40%		

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	1200 Harrison	Franklin Plaza	Merchants	Newspaper	Total	%
5. If yes, how much did the free parking contribute to your decision to come to this shopping district today?						
Very Much	79	93	22	9	203	45%
Somewhat	25	66	16	5	112	25%
Not At All	8	63	59	2	132	30%
Total	112	222	97	16	447	
% Very Much	71%	42%	23%	56%		
% Somewhat	22%	30%	16%	31%		
% Not At All	7%	28%	61%	13%		
6. Did you see an advertisement for Shop Oakland in any of the following?						
Oakland tribune	52	48	33	na	133	34%
Shopoakland.com Website	5	8	1	na	14	4%
AC Transit Interior Bus Ads	2	16	16	na	34	9%
Montclairion	1	16	16	na	33	8%
KTOP Cable Ch10	2	2	2	na	6	2%
East Bay Express	4	16	23	na	43	11%
Other TV	42	78	2	na	122	31%
Other Media					8	2%
Parade Website	1			na	1	0%
Garage Sign		3		na	3	1%
Store Windows			3	na	3	1%
Street Banners			1	na	1	0%
Total	109	187	97		393	

Survey Locations

Garages	Commercial Districts	Newspapers
Franklin Plaza 1200 Harrison Montclair	Dimond Fruitvale Grand/Lakeshore Jack London Square Laurel Piedmont Avenue Rockridge Temescal	<i>Oakland Tribune</i> <i>East Bay Express</i> <i>The Montclairion</i>