

2004 SEP 16 PM 5:45

**CITY OF OAKLAND**  
Agenda Report

To: Office of the City Administrator  
Attn: Deborah Edgerly  
From: Community and Economic Development Agency  
Date: September 28, 2004

Re: RESOLUTION AUTHORIZING FREE HOLIDAY PARKING AT  
CERTAIN CITY-OWNED PARKING GARAGES

RESOLUTION AUTHORIZING BUDGETING AND  
APPROPRIATION OF ANTICIPATED PARKING METER AND  
ENFORCEMENT REVENUE FUNDS FOR ADDITIONAL SHOP  
OAKLAND MARKETING AND MERCHANT ORGANIZING  
ACTIVITIES, NOT TO EXCEED \$315,000 IN FISCAL YEAR  
2004-2005

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**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 at parking meters and select City-owned garages. In Fall 2003, the Community Economic Development Committee requested staff to survey parkers to determine the effectiveness of the program. Based on survey results, staff identified program modifications. At the CED Committee in June 2004, councilmembers 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 requested that staff return with a proposal to use the newly recaptured meter and parking enforcement monies to fund additional Shop Oakland marketing and merchant organization capacity-building activities. This report responds to that request.

**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 Free Parking Program. Thus if the free meter parking component were discontinued, the City would gain approximately \$321,000 per holiday season in both the General Fund and Multi-Purpose Reserve Fund.

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Community and Economic Development Committee  
September 28, 2004

Funds would be collected and distributed as follows:

|  | <b>Initial Destination of Funds</b> | <b>Fund</b> | <b>Org</b> | <b>Acct</b> |
|--|-------------------------------------|-------------|------------|-------------|
| Revenues received from <b>Parking Meters and Enforcement</b> | General Fund                        | 1010        |            |             |
| Revenues received from <b>Parking Garages</b>                | Multi-Purpose Fund                  | 1750        |            |             |

|  | <b>Source of Funds</b>                         | <b>Fund</b> | <b>Org</b> | <b>Acct</b> |
|--|--|-------------|------------|-------------|
| Appropriation for <b>Shop Oakland/ Marketing</b>                 | City Administrator's Office Marketing Division | 1010        | 63011      | 53311       |
| Appropriation for <b>Merchant Organization Capacity-Building</b> | CEDA Neighborhood Commercial Revitalization    | 1010        | 88569      | 53719       |

**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 the City Administrator's Office Marketing Division, CEDA Economic Development Division and by OMLF volunteers. The mission of Shop Oakland is to encourage people to patronize stores and businesses in Oakland and to promote Oakland as a regional shopping destination (see [www.ShopOakland.com](http://www.ShopOakland.com)).

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 has offered 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. Participating garages 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, 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, and via word-of-mouth. CEDA and CAO 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**

Eliminating free parking at meters restores funds that previously would not be collected. In June of 2004, the CED Committee requested that staff return with a proposal for the potentially reinstated parking enforcement monies to be used to fund additional merchant organization capacity-building and Shop Oakland marketing activities. A proposed \$315,000 budget follows which roughly splits funding between the two complementary components.

While beneficial to the City overall and for some individual districts, the Shop Oakland campaign does not necessarily make a big impact on many neighborhood commercial districts in Oakland. With that in mind, this initiative is designed to grow capacity so that the nascent areas are primed to reap the benefits of Shop Oakland participation.

#### Shop Oakland/Marketing – \$160,000

The overall purpose of the Shop Oakland program is to drive consumers to stores and businesses in Oakland; encourage Oakland residents to buy locally in an effort to capture their dollars and increase sales tax; and promote Oakland as a regional shopping destination for the Bay Area. (See [www.ShopOakland.com](http://www.ShopOakland.com))

Although the current Shop Oakland program has succeeded in raising some awareness, residents and visitors are still largely unfamiliar with and/or unaccustomed to many of the shopping opportunities in Oakland. Funding would support more dynamic and sophisticated marketing to reach this untapped market.

Approximately \$160,000 is proposed for media placements, a consumer shopping guide, expansion of the Shop Oakland website, and production of a television commercial and other essential marketing tools. The CAO Marketing Division would coordinate the marketing campaign and oversee the funds.

This additional funding will enable further implementation of staff's Shop Oakland plan, enabling its growth to a full-scale, year-round marketing campaign, with special focus on the three key retail periods: holidays, spring, and back-to-school. The expanded campaign will go well beyond the current approach of simply encouraging consumers to shop in Oakland—it will show Oakland residents where they can shop, what they can buy, and how their tax dollars work to support vital municipal services such as police, fire, libraries, parks, etc.

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The expanded Shop Oakland campaign will be modeled in concept after the successful Broadway Auto Row (BAR) "Buy Oakland" campaign, which is a collaboration of the CAO Marketing Division, CEDA Business Development and the auto dealerships. The BAR dealerships invested nearly \$400,000 to fund the year-long campaign which was created in conjunction with BAR's advertising agency. The dealerships have reported increased sales among Oakland residents as a result of the campaign, noting that the "Buy Oakland – move Oakland forward" theme has resonated positively with loyal Oakland residents.

Merchant Organization Capacity-Building – \$155,000

Although important, staff believes that marketing dollars spent through the Shop Oakland campaign will disproportionately benefit our strongest commercial districts. Additional strategies are necessary to build capacity in other districts which can ultimately generate needed private investment and revitalization. Due to staff transfers and departures, CEDA has fewer resources to nurture and build merchant organizations. The ongoing success of the Rockridge district and the more recent success of Fruitvale, for example, point to the importance and citywide benefits of highly organized merchant organizations. Funds invested would support a consultant to organize merchants toward the formation of self-sustaining business improvement districts (BIDs). The consultant would work with a limited number of merchant groups per year throughout the City, selected based on need, readiness and local support. The goal for each group would be to build sufficient local capacity to formally begin the BID creation process. Funding is proposed for staffing and soft costs, such as training, workshops and outreach.

Potential [annual] measurements of this initiative's success include:

- Formal establishment of merchants associations with officers, operation plans and budgets
- External funding plan created and executed (e.g. private grant applications)
- Increased merchant association membership and participation
- Merchant associations/commercial districts entering BID feasibility evaluation process
- Training workshops conducted

Potential medium-term (3-5 years) measurements of this initiative's success include:

- Self-sustaining BIDs
- Reduced commercial vacancies
- Private investment dollars
- Higher percentage of City's sales tax revenue
- Reduction in City resources expended on cleanliness and crime

Options for selecting a consultant to run the MOCB program are two-fold. Staff could issue an request for proposals (RFP). An RFP and contracting process requires several

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months, and will not likely be completed before the holiday promotion activities need to begin.

Alternatively, the City could enter into a sole-source contract with OMLF, which has expressed strong interest in the role. OMLF's membership consists of merchant associations throughout the City and has been deeply involved in Shop Oakland since the program began. It is the only organization of which staff is aware that is focused solely on Oakland's neighborhood commercial districts. Recognizing the need and decreased resources available, in April 2004 OMLF made merchant association capacity-building its highest strategic priority and has shared its methodology with staff. Further, through its existing network, OMLF is in a unique position to gather and share local best practices both with associations selected for the program and with the broader Oakland merchant community. This alternative allows the consultant to begin working with merchants upon approval of a professional services contract—in time to catch the holiday shopping season. OMLF, which has expressed strong interest in the role, would be given a one year contract, after which time, its performance would be evaluated.

## **SUSTAINABLE OPPORTUNITIES**

The Shop Oakland campaign and merchant organization capacity-building support 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 entrepreneurship opportunities for the self-employed.

As evidenced in Fruitvale, organizing is a necessary prerequisite to economic revitalization. According to data which has been collected since 1996 when Fruitvale Main Street started, 268 net new jobs have been created, 76 net new businesses have been created, there has been over \$3.5 million in public investment and over \$6 million in private investment in the Fruitvale commercial district. At present time the area has a one percent commercial vacancy rate, and generates the second most sales tax revenue of any neighborhood commercial district in the City.

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. Both within and outside of Oakland, merchant-organizing has been shown to improve street and sidewalk

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cleanliness, reduce property crime, and provide a more pleasant shopping environment for residents and visitors.

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. By combining capacity-building with citywide and local marketing, the city can assist both strong and struggling districts, thereby helping commercial districts and their residents in more well-off areas as well as in less well-off areas.

### **DISABLED AND SENIOR CITIZEN ACCESS**

This is not applicable.

### **RECOMMENDATION AND RATIONALE**

This report requests Council approve the use of newly recaptured meter and parking enforcement monies to fund additional Shop Oakland marketing and merchant organization capacity-building activities, and authorize free holiday parking at certain City-owned parking garages. The previously foregone meter and garage monies are not in the budget. Therefore implementing the marketing and merchant organization program requires placing those new revenues in the budget. These efforts should strengthen Oakland's retail community.

Three resolutions have been prepared. Staff recommends approval of item #1 below for free holiday garage parking and either #2 for an RFP process to select a consultant, or #3 for a sole source contract to OMLF.

1. Authorizing free holiday parking at certain City-owned parking garages.
2. Authorizing budgeting and appropriation of anticipated parking meter and enforcement revenue funds for additional Shop Oakland marketing and merchant organizing activities, not to exceed \$315,000 in fiscal year 2004-2005:
  - a. Increase budgeted revenues by \$321,000.
  - b. Appropriate funding to the Marketing Division not to exceed \$160,000 for additional Shop Oakland marketing activities.
  - c. Appropriate funding to CEDA NCR not to exceed \$155,000, and authorize a **request for proposals and subsequent contract** for merchant outreach and organizing activities.
3. Authorizing budgeting and appropriation of anticipated parking meter and enforcement revenue funds for additional Shop Oakland marketing and

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merchant organizing activities, not to exceed \$315,000 in fiscal year 2004-2005:

- a. Increase budgeted revenues by \$321,000.
- b. Appropriate funding to the Marketing Division not to exceed \$160,000 for additional Shop Oakland marketing activities.
- c. Appropriate funding to CEDA NCR not to exceed \$155,000, and authorize a **sole source contract to the Oakland Merchant Leadership Forum (OMLF)** for merchant outreach and organizing activities.

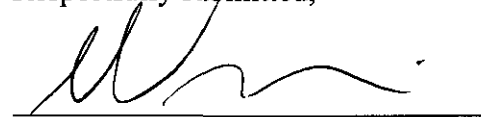
### **ACTION REQUESTED OF THE CITY COUNCIL**

Authorize free holiday parking at certain City-owned parking garages.

Authorize budgeting and appropriation of anticipated parking meter and enforcement revenue funds for additional Shop Oakland marketing and merchant organizing activities, not to exceed \$315,000 in fiscal year 2004-2005.

Authorize **RFP** and subsequent contract, not to exceed \$155,000 for merchant outreach and organizing activities, OR authorize a **sole source contract to the Oakland Merchant Leadership Forum (OMLF)**, not to exceed \$155,000 for merchant outreach and organizing activities.

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 Administrator

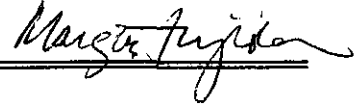
OAKLAND CITY COUNCIL

FILED  
OFFICE OF THE CITY CLERK  
OAKLAND

RESOLUTION No. \_\_\_\_\_ C.M.S.

2004 SEP 16 PM 5:45

INTRODUCED BY COUNCILMEMBER \_\_\_\_\_



**RESOLUTION AUTHORIZING FREE PARKING AT CERTAIN  
CITY-OWNED PARKING GARAGES DURING THE 2004 HOLIDAY SEASON**

WHEREAS, Cultural Arts & Marketing and Community & Economic Development Agency (CEDA) staff, working with Oakland Merchants Leadership Forum (OMLF) volunteers, produce the Shop Oakland campaign two to three times per year, including the winter holidays; 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 2004 holiday season City-funded Shop Oakland component includes free parking, a print advertisement campaign, and publicity, as well as additions to the Shop Oakland website; 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, holiday season 2004 garage parkers expressed their appreciation for the parking program; and

WHEREAS, Shop Oakland is funded by Community Development Block Grant, Redevelopment and General Funds, and private contributions raised by OMLF; and

WHEREAS, it is estimated that revenues at parking garages amounting to twenty-three thousand dollars (\$23,000), 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 2003-2005 estimated revenues for both the General Fund and Multi-Purpose Reserve Fund; therefore, implementing this program 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, Montclair, and Frank Mar garages each Saturday from November 27 through December 25, 2004 for the 2004 Shop Oakland program.

IN COUNCIL, OAKLAND, CALIFORNIA,

**PASSED BY THE FOLLOWING VOTE:**

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

NOES-

ABSENT-

ABSTENTION-

ATTEST:

CEDA FLOYD  
City Clerk and Clerk of the Council  
of the City of Oakland, California

OAKLAND CITY COUNCIL

2004 SEP 16 PM 5:45  
C.M.S.

RESOLUTION No. \_\_\_\_\_

INTRODUCED BY COUNCILMEMBER \_\_\_\_\_

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**RESOLUTION AUTHORIZING BUDGETING AND APPROPRIATION OF ANTICIPATED PARKING METER AND ENFORCEMENT REVENUE FUNDS FOR ADDITIONAL SHOP OAKLAND MARKETING AND MERCHANT ORGANIZING ACTIVITIES, NOT TO EXCEED \$315,000 IN FISCAL YEAR 2004-2005**

WHEREAS, 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 at parking meters and select City-owned garages; and

WHEREAS, in June 2004, at the Community and Economic Development Committee councilmembers voiced support to eliminate the free meter parking and retain the garage parking, and use the newly recaptured meter and parking enforcement monies to fund additional Shop Oakland marketing and merchant organization capacity-building activities; and

WHEREAS, 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 as it operated in the previous ten years; and

WHEREAS, if the free meter parking component were discontinued, the City would stand to gain approximately \$321,000 per holiday season in both the General Fund and Multi-Purpose Reserve Fund; and

WHEREAS, people are still unaware of all the shopping possibilities in Oakland, and the Community and Economic Development Agency has fewer resources to nurture and build merchant organizations; now therefore be it

RESOLVED: That the City Administrator is authorized to increase budgeted revenues by \$321,000; and:

1. Appropriate funding to the Marketing Division for additional Shop Oakland marketing activities, not to exceed \$160,000 in fiscal year 2004-2005, Fund 1010, Organization 63011; and
2. Appropriate funding to the CEDA Neighborhood Commercial Revitalization unit to issue a Request for Proposals to hire a consultant to conduct merchant outreach and organizing activities for FY'04-'05 and into FY'05-'06, not to exceed \$155,000 in fiscal year 2004-2005, Fund 1010, Organization 88569, Account 53719.

IN COUNCIL, OAKLAND, CALIFORNIA,

**PASSED BY THE FOLLOWING VOTE:**

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

NOES-

ABSENT-

ABSTENTION-

ATTEST:

CEDA FLOYD  
City Clerk and Clerk of the Council  
of the City of Oakland, California