

## CITY OF ALAMEDA

### Memorandum

To: Honorable Chair and  
Members of the Community Improvement Commission

From: Ann Marie Gallant  
Interim Executive Director

Date: October 20, 2009

Re: Authorize the Executive Director to Enter into a Contract in the Amount of  
\$105,874 with the Park Street Business Association for FY09-10

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### BACKGROUND

In the late 1980s, the Park Street Business Association (PSBA) was established to deliver services to support the redevelopment of the Park Street Business District. Annual grants were considered "seed" money, with financial self-sufficiency the mutually understood goal. Funding has, however, increased every year. This fiscal year, the City's budget was cut 13%, and the Community Improvement Commission's (CIC) was reduced by 30%.

### DISCUSSION

Given the national recession, State budget crisis, and take of redevelopment funds, CIC funds to all Alameda business associations should be regarded as unreliable. PSBA is encouraged to find ways to collaborate with other Alameda associations to reflect the new financial reality of California cities and the organizations they fund.

PSBA's budget request submitted to CIC staff for FY09-10 and FY10-11 is \$111,446 per year, while its total budget is \$374,946. Staff recommends PSBA's grant request be funded at \$105,874 in FY09-10, a 5% reduction, and \$89,286 in FY10-11, a 15% reduction. Staff further recommends that grant funds be used for the marketing and promotion of the association's businesses. The proposed budget for FY09-10 is included in Exhibit 1.

**Expenditure History.** PSBA has a variety of revenue stream opportunities: the Business Improvement Area (BIA) enacted annually by Council; Landscape and Lighting (L&L), a maintenance assessment district; self-generated income; and City and other grants. Enhancing current revenue streams through assessment increases and/or boundary changes was recently considered; however, this was not pursued due to the current economic climate.

**CC/ARRA/CIC  
Agenda Item #2-D  
10-20-09**

The table below compares expenditures over the past two years and projects FY09-10 expenditures.

<b>Park Street Business Association - staffing includes one Executive Director, one full-time administrative assistant, one full-time and one part-time maintenance worker.</b>				
<b>Expense</b>	<b>07-08 Budget</b>	<b>08-09 Budget</b>	<b>08-09 Actual</b>	<b>09-10 Budget</b>
• Salaries	\$140,100	\$143,000	\$143,000	\$148,400
• Maintenance	117,100	114,697	119,228	92,050 <sup>1</sup>
• Marketing	95,350	73,775	94,363	95,030
• Office Rent / Supplies / Overhead	44,870	43,470	38,457	39,466
<b>Total</b>	<b>\$397,420</b>	<b>\$374,942</b>	<b>\$395,048</b>	<b>\$374,946</b>

**Maintenance Service.** District maintenance is one of the largest services provided by PSBA and consists of sidewalk cleaning, graffiti removal and general clean-up. The City's Public Works Department provided this service before the responsibility was assumed by PSBA in 2001 with its own employees. These services are funded through the L&L Assessment District, which is renewed annually by the City Council. During recent periods of streetscape construction, L&L funds were not spent but set aside. These "reserve" funds were used to supplement the current program; however, the reserve fund has been completely exhausted and no longer exists.

The maintenance expenditures for the past three years are listed below:

<b>Park Street Business Association</b>				
<b>FY</b>	<b>Maint. Cost</b>	<b>L &amp; L Payments (PSBA's share of the annual levy + reserve supplement, if any)</b>	<b>Supplement from Reserve:</b>	<b>Reserve Balance:</b>
07-08	\$117,100	\$69,000	\$27,832	
08-09	114,697	54,949	12,253	
09-10	92,050	50,500	-0-	-0-

**Future Efficiencies.** Maintenance is an area for potential consolidation as the reserve balance subsidizing the PSBA effort has been fully spent. Further, the basic L&L annual assessments have not increased in past years and do not provide enough revenue to fully fund existing maintenance activities. Staff recommends that a near-term project for PSBA is to explore with the West Alameda Business Association (WABA) bidding a contract for maintenance services in both Districts from one service provider.

**Cost Sharing.** Over the next year, City staff will work with the City's business associations to examine other ways to create efficiencies to lessen dependency upon public dollars. These efficiencies may include sharing personnel, office space,

<sup>1</sup> Reduced one full-time position to part-time.

overhead, and other yet-to-be-determined cost streamlining measures. The associations and Economic Development Department staff would also like to evaluate ways to pool resources and function in a less "District" fashion and more in a citywide manner. The Chamber, PSBA, and WABA have just begun planning the first citywide holiday event, which is a good start for collaboration and resource sharing.

**Accomplishments and Objectives/Performance Measures.** Major accomplishments and objectives/performance measures for PSBA are listed below. A complete list is included in Exhibit 2.

- Sponsored both the annual Spring Festival (40,000+ attendance) and the Art and Wine Faire (100,000+ attendance), and provided daily sidewalk cleaning service to the District.
- Objectives for next year include assisting with the implementation of Phase II of the Park Street Streetscape Project and participation in the rezoning of North of Lincoln.

#### IMPLEMENTATION

PSBA will be paid quarterly in arrears based upon requests fully substantiated by receipts for eligible activities. As proposed in the attached budget, the City grant will be spent on non-salary activities. Finally, new to the contract is language that specifically prohibits use of grant funds for employee or contractor salaries, lobbying activities, or to support litigation activities against the CIC, its employees, officials, and boards and commissions.

#### FINANCIAL IMPACT

The total impact to the CIC budget is \$105,874 in FY09-10 and \$89,286 in FY10-11, and is budgeted in CIC-BWIP Fund 203. Grant funds will be disbursed on a quarterly basis and will only be used for marketing and promotion of the organizations businesses. Disbursement of the grant funds will be documented by receipts for actual expenditures.

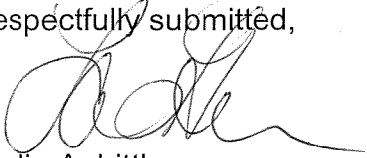
#### MUNICIPAL CODE/POLICY DOCUMENT CROSS REFERENCE

*Economic Development Strategic Plan, July 2000, Strategy #2* reads as follows, "Support the Chamber of Commerce, merchants and merchant associations in their efforts to increase the availability and quality of retail goods and professional services that meet the purchasing preferences of Alameda residents and the employees of Alameda firms by: (1) supporting Park and Webster as "Main Street" retail zones..."

RECOMMENDATION

Authorize the Executive Director to enter into a contract in the amount of \$105,874 with the Park Street Business Association for FY09-10.

Respectfully submitted,



Leslie A. Little  
Economic Development Director

Approved as to funds and account,



Glenda D. Jay  
Interim Finance Director

DES:SGR:rv

Exhibits:

1. PSBA Budget
2. PSBA Accomplishments & Objectives

cc: Park Street Business Association

**FY 2009-2010 Proposed Operating Budget  
Park Street Business Association**

INCOME	CITY			ASSN.		TOTAL
	GRANT	BIA	L&L	INCOME		
Grant	\$ 111,446	\$ -	\$ -	\$ -	\$ 111,446	
BIA	\$ -	\$ 85,000	\$ -	\$ -	\$ 85,000	
Events (net income)	\$ -	\$ -	\$ -	\$ 107,000	\$ 107,000	
Landscape & Lighting	\$ -	\$ -	\$ 50,500	\$ -	\$ 50,500	
Other	\$ -	\$ 5,000	\$ -	\$ 16,000	\$ 21,000	

<b>TOTAL</b>	\$ 111,446	\$ 90,000	\$ 50,500	\$ 123,000	\$ 374,946
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**EXPENSES**

Salaries/Benefits/Taxes	\$ -	\$ 70,750	\$ -	\$ 70,650	\$ 141,400
Rent	\$ 12,000	\$ -	\$ -	\$ -	\$ 12,000
Utilities	\$ 1,800	\$ -	\$ -	\$ -	\$ 1,800
Insurance(D&O, Liability, WC)	\$ 4,000	\$ 8,500	\$ -	\$ -	\$ 12,500
Office Supplies & Equipment	\$ 2,600	\$ -	\$ -	\$ -	\$ 2,600
Newsletters	\$ 4,200	\$ -	\$ -	\$ -	\$ 4,200
Postage	\$ 2,500	\$ -	\$ -	\$ -	\$ 2,500
Meetings/Trainings	\$ -	\$ 2,750	\$ -	\$ -	\$ 2,750
Member Services	\$ -	\$ -	\$ -	\$ -	\$ -
Accounting	\$ 7,000	\$ 1,000	\$ -	\$ -	\$ 8,000
SubTotal	\$ 34,100	\$ 83,000	\$ -	\$ 70,650	\$ 187,750

**MARKETING**

Website/Shopping Guide	\$ 4,000	\$ -	\$ -	\$ -	\$ 4,000
Advertising (Newspaper, Magazines, cable)	\$ 73,346	\$ -	\$ -	\$ -	\$ 73,346
SubTotal	\$ 77,346	\$ -	\$ -	\$ -	\$ 77,346

**COMMITTEES**

	\$ -	\$ -	\$ -	\$ 17,800	\$ 17,800
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**MAINTENANCE**

	\$ -	\$ 7,000	\$ 50,500	\$ 34,550	\$ 92,050
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<b>TOTAL</b>	\$ 111,446	\$ 83,000	\$ 50,500	\$ 123,000	\$ 374,946
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**FY 2008-2009 Actual Expenditures  
Park Street Business Association**

<b>INCOME</b>	<b>CITY GRANT</b>	<b>BIA</b>	<b>L&amp;L</b>	<b>ASSN. INCOME</b>	<b>TOTAL</b>
Grant	\$ 111,446	\$ -	\$ -	\$ -	\$ 111,446
BIA	\$ -	\$ 92,658	\$ -	\$ -	\$ 92,658
Events (net income)	\$ -	\$ -	\$ -	\$ 130,326	\$ 130,326
Landscape & Lighting	\$ -	\$ -	\$ 57,417	\$ -	\$ 57,417
Other	\$ -	\$ 8,000	\$ -	\$ 11,836	\$ 19,836
<b>TOTAL</b>	<b>\$ 111,446</b>	<b>\$ 100,658</b>	<b>\$ 57,417</b>	<b>\$ 142,162</b>	<b>\$ 411,683</b>

**EXPENSES**

Salaries/Benefits/Taxes	\$ 37,431	\$ 26,087	\$ -	\$ 79,482	\$ 143,000
Rent	\$ -	\$ 12,000	\$ -	\$ -	\$ 12,000
Utilities	\$ -	\$ 1,470	\$ -	\$ -	\$ 1,470
Insurance(D&O, Liability, WC)	\$ -	\$ 5,990	\$ -	\$ -	\$ 5,990
Office Supplies & Equipment	\$ -	\$ -	\$ -	\$ 3,292	\$ 3,292
Newsletters	\$ -	\$ -	\$ -	\$ 4,490	\$ 4,490
Postage	\$ -	\$ 2,541	\$ -	\$ -	\$ 2,541
Meetings/Trainings	\$ -	\$ 2,873	\$ -	\$ -	\$ 2,873
Member Services	\$ -	\$ -	\$ -	\$ -	\$ -
Accounting	\$ -	\$ 7,257	\$ -	\$ -	\$ 7,257
SubTotal	\$ 37,431	\$ 58,218	\$ -	\$ 87,264	\$ 182,913

**MARKETING**

Website/Shopping Guide	\$ 5,893	\$ -	\$ -	\$ -	\$ 5,893
Advertising (Newspaper, Magazines, cable)	\$ 68,122	\$ -	\$ -	\$ -	\$ 68,122
SubTotal	\$ 74,015	\$ -	\$ -	\$ -	\$ 74,015

**COMMITTEES**

	\$ -	\$ -	\$ -	\$ 20,348	\$ 20,348
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**MAINTENANCE**

	\$ -	\$ 27,321	\$ 57,417	\$ 34,550	\$ 119,288
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<b>TOTAL</b>	<b>\$ 111,446</b>	<b>\$ 85,539</b>	<b>\$ 57,417</b>	<b>\$ 142,162</b>	<b>\$ 396,564</b>
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# Park Street Business Association

## PARK STREET BUSINESS ASSOCIATION

Accomplishments FY08-09 /// Objectives/Performance Measures FY09-10

### ACCOMPLISHMENTS:

#### Spring Festival

- 40,000 visitors to the Park Street District during Mother's Day weekend
- Net income was \$25,000

#### Art & Wine Faire

- 100,000 + visitors to the Park Street District during the two days of the event
- Net income was \$101,000

#### Classic Car Show

- 25,000 visitors to the Park Street district during the one day of the event
- This event is planned to be revenue neutral. However we did net \$1,000 in 2008.

#### Holiday Advertising Campaign

- Implemented multi-media advertising campaign between Thanksgiving and Christmas.
- The campaign included newspaper and magazine ads. It also included over 500 cable TV ads targeted for the Oakland, Alameda, San Leandro, San Lorenzo, and Hayward areas.
- Sponsored the annual tree decorating contest downtown.

#### Marketing

- Upgraded web site
- Produced and distributed 2008 Shopping Guide
- Double truck ad in the ACLO program
- Produced and distributed 12 monthly newsletters. The distribution list exceeds 600.
- Produced a section (including membership roster and District map) in the Alameda Directory.

#### Maintenance

- Maintained two workers to provide 7-days-a-week service in the District
- Sidewalks swept on a daily basis
- Graffiti abated within 24 hours of discovery
- Shopping carts returned to stores on a daily basis

#### Member Services

- Assisted members interfacing with City government
- Assisted with compiling of the "North of Lincoln" report
- Provided answers to members' questions on a daily basis

2447 Santa Clara Ave., #302, Alameda CA 94501

Phone: 510-523-1392 γ Fax: 510-523-2372 γ email: parkstreet@alamedan

## **Park Street Business Association**

### **OBJECTIVES/PERFORMANCE MEASURES:**

- 1) Participate in a city-wide event with other Alameda Business Associations.
- 2) Assist City Departments in implementing and completing Phase II of the Park Street Streetscape & Town Center Project.
- 3) Work with the Planning and Economic Development Departments to accomplish the rezoning of North of Lincoln.
- 4) Work with the Planning and Economic Development Departments to amend the “Community Commercial” zoning designation.
- 5) Implement at least two new advertising outlets to promote existing special events and the holiday shopping season.

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