

A p p e n d i x D : C o m m u n i t y B e n e f i t D i s t r i c t C a s e S t u d i e s

D . I . I n t r o d u c t i o n

Japantown’s community organizations and small businesses function as the neighborhood’s core, serving the needs of local residents and the region’s Japanese American community, while attracting visitors from the Bay Area and beyond. Today, these businesses and institutions face a number of challenges, including a need for expanded marketing and promotions and improved maintenance and security; rising rents and business expenses; and a lack of dedicated, permanent space for community events. Addressing these challenges is critical for maintaining Japantown’s roles as the historical and cultural heart of the Japanese American community, a thriving commercial and retail district, and a home to residents and community-based institutions – three central goals of the Japantown Better Neighborhood Plan.

Communities around the country are increasingly dealing with the types of challenges facing Japantown’s small businesses and community organizations by forming property and business special assessment districts. These assessment districts are commonly known as Business Improvement Districts (BIDs) or Property Business Improvement Districts (PBIDs), but in San Francisco they are often referred to as “Community Benefit Districts (CBDs)” due to the mixed-use character of San Francisco’s commercial areas. This appendix is the summary of a series of case studies that Strategic Economics conducted to understand the role that a CBD could play in addressing the community’s concerns and achieving the goals of the Better Neighborhood Plan. In addition, the case studies are intended to provide examples and lessons for the Japantown community to consider as they move forward with implementing a CBD formation campaign.

D.I.I. What is a Community Benefit District (CBD)?

A Community Benefit District, or CBD, is a funding mechanism where property owners, business license holders, or a combination of the two are levied a special assessment to fund improvements and services that benefit local businesses and properties. The funds and services are administered by an existing or newly established non-profit management entity. This management organization is comprised of those who pay the assessments, including merchants, property owners, residents, and stakeholder organizations. Property and business special assessment districts have been found to provide quantitative benefits, including reduced crime rates and increased property values.¹

Neighborhood stakeholders in San Francisco form CBDs by working together to determine boundaries, set assessment rates, and study the level of community support for forming the CBD. In addition, the neighborhood must create a new non-profit organization, or designate an existing organization, to manage the assessment funds, coordinate and supervise service implementation, and raises other funds to support the district’s services. The CBD plan must then be approved by both the Board of Supervisors and a weighted vote of property and/or business owners². After the CBD

¹ See Section D.2.2.1.

² Formation of a new CBD in San Francisco requires the submission of petitions to the San Francisco Board of Supervisors from those to be assessed, representing at least 30% of the total proposed assessments in the district. Once the petitions have been submitted to the City, the Board of Supervisors may adopt a Resolution of Intent to establish the

is formed, the City enters into a CBD management contract with the designated, non-profit management organization, and collects the assessments annually via the property tax bill or a business assessment district bill. The collected assessments are then transferred to the management organization.

San Francisco currently has ten CBDs. Most of the districts provide services like street cleaning, graffiti removal, landscaping, security, marketing and special events. Several CBDs include small business attraction and support services, planning & streetscape improvements, and neighborhood advocacy as part of their daily CBD services.

D.1.2. Why Consider a CBD in Japantown?

A CBD offers the opportunity to provide an ongoing source of revenue for an organization that could help implement the economic development, community development, and historic preservation strategies called for in the Better Neighborhood Plan.

A Japantown CBD could provide a constant stream of funding for an “Implementation Organization” for the Better Neighborhood Plan, and fund a number of the services that residents and local businesses have identified as necessary for maintaining the neighborhood’s strength and character. In particular, CBD assessment funds could provide resources for the following strategies recommended in the Better Neighborhood Plan:

- Improved marketing and promotions, including funding for cultural and community events;
- Improved maintenance and security, to improve quality of life for residents and maintain and expand the district as a regional destination and cultural hub;
- Business attraction services, to fill vacancies with culturally appropriate businesses;
- Business retention services, to assist retailers with rising expenses and other concerns;
- Historic preservation strategies, including pursuing the designation of Japantown as a culturally or historically significant district if desired.

CBD funds have not traditionally been used to fund the other types of community development strategies recommended in the plan, such as inventorying community organizations’ administrative and space needs and identifying opportunities for sharing resources. However, the Implementation Organization could serve as the CBD management corporation, and fundraise grants and other income to provide additional community services and programs as needed.

D.1.3. Case Study Models

For this study, Strategic Economics examined property and business special assessment districts operating not only in San Francisco, but also elsewhere in the Bay Area and the country. San

proposed CBD, after a public hearing occurs. If the Resolution of Intent is adopted by the Board of Supervisors, the Department of Elections will mail out assessment ballots to all properties or businesses to be assessed in the proposed CBD. The Board of Supervisors will hold a final public hearing at least 45 days after mailing the ballots. The Board may form the proposed CBD if the weighted majority of returned ballots support the district formation. Weight is determined by the percentage of monetary contribution each property owner will make to the CBD based on the proposed assessment methodology.

Francisco’s CBD program is relatively new, and no CBD management organization in the City currently offers the range of services that the Better Neighborhood Plan proposes for Japantown. Therefore, Strategic Economics conducted a nationwide search for organizations that might serve as models for Japantown. After numerous discussions with staff from several cities, as well as with consultants who specialize in establishing property and business special assessment districts, Strategic Economics chose to study a range of organizations, each of which offer lessons for Japantown. While the San Francisco examples may be most directly relevant to Japantown, the City’s CBD ordinance is flexible enough that the experiences of districts in other cities and regions can be drawn upon to inform the organizational structure and services of Japantown’s CBD.

Strategic Economics studied the following districts in detail: the Fisherman’s Wharf CBD, the North of Market/Tenderloin CBD, the Downtown Berkeley BID, the Myrtle Avenue BID in New York City, and the Japantown BID in San Jose. These case studies included reviewing annual reports and newsletters and interviewing the organizations’ executive directors and, as appropriate, other stakeholders.

Strategic Economics conducted less extensive investigations of a number of other districts, including the Central Market and Castro/Upper Market CBDs in San Francisco and the Fruitvale BID in Oakland. These districts were studied in order to gain additional insight on potential service programs and organizational structures that might serve as models for Japantown.

D.1.4. A Note on Terminology

The terms “Community Benefit District,” “Property and Business Improvement Districts,” and “special assessment district” technically refer only to a group of assessed parcels or businesses that receive special services. A CBD is a legal financing mechanism that funds special services that must benefit those assessed. The non-profit organizations that manage assessment districts can take many different forms and, through fundraising, provide services in addition to those that are funded by assessment fees. However, the terms “BID” and “CBD” are commonly used to refer to managing organizations as well as assessment districts, and some of the management organizations profiled in this study include “BID” or “CBD” in their names. In this study, an attempt has been made to distinguish wherever possible between the management organizations and the assessment districts that they manage.

D . 2 . M a j o r F i n d i n g s

D.2.1. Organizational Structure

D.2.1.1. The non-profit organizations that manage special assessment districts can be structured in a variety of ways in order to suit a community's specific needs.

While most communities in San Francisco have formed new non-profit entities in order to manage CBDs, many special assessment districts around the country have designated pre-existing non-profits as management organizations. In some cases, the management organizations are structured so that they can provide many additional services beyond those funded by the special assessment fees.

The Myrtle Avenue BID is an example of a district that is managed by a pre-existing organization – the Myrtle Avenue Brooklyn Partnership – that not only manages BID funds, but also provides a range of other services. The Myrtle Avenue Brooklyn Partnership is comprised of two entities: a local development corporation (LDC), incorporated in 1996, and the BID, which was established in 2005. The LDC and the BID each have separate boards; the BID board is dominated by commercial property owners and tenants, while the LDC board includes representatives of neighborhood activist groups, community institutions, residential co-ops, and businesses with a local presence. The BID board has signed a management agreement allowing the LDC staff to administer BID programs and funds. Approximately one-third of the assessment funds are used to contribute to LDC staff member salaries; the rest are spent directly on cleaning, graffiti removal, beautification and marketing. The LDC's other operating funds and services – including business attraction and retention, façade and store improvement, historic preservation, and urban planning and transportation programs – are paid for by fundraising.

The non-profit Fisherman's Wharf Association is another example of a management organization that was structured creatively in order to suit local needs. The Association was incorporated as a 501(c)(3) in 2006 in order to manage a new CBD on the land-side of Fisherman's Wharf (south of Jefferson and The Embarcadero) which assesses property owners. Because the businesses on the port-side of Fisherman's Wharf are tenants (the Port of San Francisco owns the buildings), a separate CBD that assessed only business owners was formed on the port-side later that year. The Fisherman's Wharf Association now manages both the land-side and the port-side CBD. One board directs both CBDs; board membership is determined proportionately to assessment contributions, so 62% of board members represent the land-side CBD, and 38% represent the port-side. The Port provides maintenance for the port-side businesses, but other services such as marketing and planning benefit both CBDs, and are paid for proportionately based on the size of the contribution from each CBD.

D.2.1.2. Most CBD management organizations form committees to oversee various services and to provide opportunities for community participation.

For example, the Fisherman's Wharf Association includes three committees: a District Identity and Street Improvements Committee that oversees marketing, communications, and events; a Street Operations, Beautification and Order committee that oversees the Association's signage, parking, sidewalk cleaning, graffiti abatement, and emergency preparedness programs; and a Land Use and

Planning Committee charged with planning for improved zoning, circulation, and streetscape design. Some of these committees oversee subcommittees charged with overseeing specific tasks.

The committees are generally chaired by a board member – some management organizations require that each board member joins at least one committee – but volunteers are encouraged to join as well. Indeed, the Fisherman’s Wharf Association’s Land Use and Planning committee is chaired by a volunteer who is not on the Board of Directors.

D.2.1.3. All management organizations fundraise to support their activities. Revenues raised through fundraising may be used to pay for services above and beyond those funded by the special assessment revenue.

For example, the Fisherman’s Wharf Association raised nine percent (\$72,460) of its 2007-2008 budget from in-kind donations and program sponsorships. Major sponsors included General Motors and Amtrak, which contributed to a holiday lights display. The Port of San Francisco contributed to a monthly Sunday Brunch program, and the San Francisco Convention and Visitors Bureau assisted the Association with arranging in-kind donations such as food, gift certificates and other prizes for events. In addition to assessments, donations, and sponsorships, the Association will receive \$38,000 in grant funding in FY 2008-2009.

The Myrtle Avenue Partnership and the Unity Council in Oakland both provide a wide range of services in addition to those paid for by the special assessment funds that the organization’s manage. These services are funded through grants and other fundraising and revenue sources.

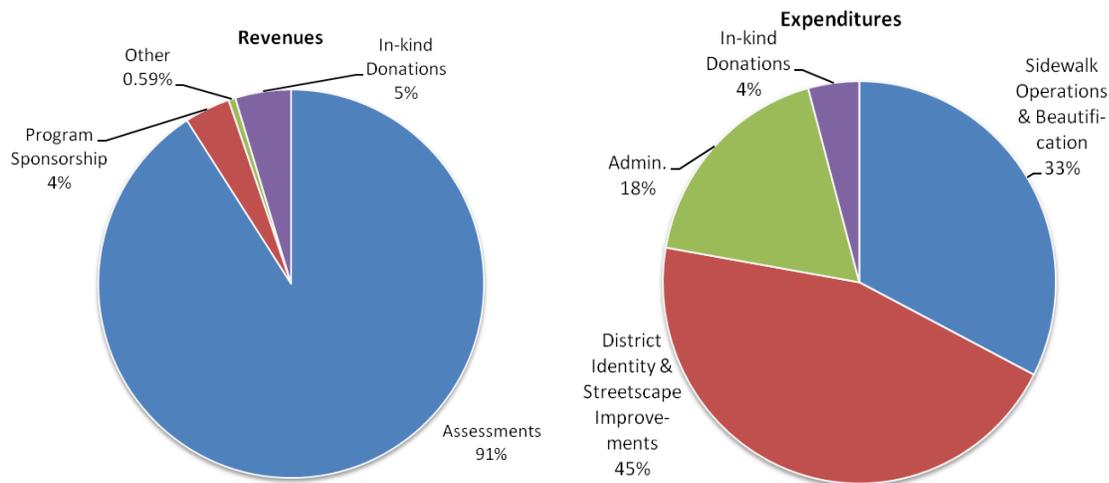
The San Jose Japantown Business Association not only fundraises for its own purposes, but also assists other non-profits with fundraising by co-hosting an annual Spirit of Japantown Festival with the Japantown Community Congress of San Jose. The Business Association receives 10 percent of the vendors’ gross profits, and reserves a small amount to help cover operating costs; the rest of the Festival’s proceeds are donated to local community organizations.

D.2.1.4. With a few exceptions,³ annual assessment revenues in San Francisco range from the low \$300,000’s (Fillmore, Castro) to just under \$1 million (Union Square, Tenderloin North-Market).

The Fisherman’s Wharf Association budget for Financial Year (FY) 2007-2008 is an example of a typical CBD budget. In FY 2007-08, the Association’s revenues totaled \$851,676. In addition, the Association carried over \$283,000 from FY 2006-07. Expenditures totaled \$949,541. [Figure 1] provides more details on the Association’s revenue sources and expenses, categorized by committee.

³ Noe Valley and 2500 Block Mission have lower annual assessment revenues (\$225,000 and \$75,000, respectively); the Yerba Buena CBD has higher revenues (over \$2 million). Variation in assessment budgets is based on the size of the district, assessment methodology, and the services to be offered. Annual assessment revenues do not include the grants or other funds that are raised and invested by CBDs annually. Source: Office of Economic and Workforce Development, 2008.

Figure 1. Fisherman’s Wharf Association Revenues and Expenditures, FY 2007-2008



During 2007-2008, the District Identity and Street Improvements Committee launched a new marketing website and introduced continuous improvements, published online newsletters for members, funded a seasonal banner program and advertising campaign, and sponsored or assisted with multiple events including the Fourth of July Waterfront Celebration, Fleet Week, an Annual Holiday Lights and Sights Campaign, and a Sunday Brunch Series. The accomplishments of the Street Operations, Beautification, and Order (SOBO) Committee included ongoing sidewalk maintenance, graffiti abatement, employment of off-duty police officers, and the installation and maintenance of 27 hanging flower baskets, 17 way-finding signs, and cable car signage. The SOBO committee also organized monthly community meetings with the SFPD, conducted an emergency response drill, and help emergency preparedness courses. Many of these activities are described in greater detail below.

D.2.2. Benefits

A.2.2.1. Special assessment districts have been shown to provide quantitative improvements in property values and crime rates.

Although few researchers have studied the impact of special assessment districts, those that have done so have found largely positive results:

- A recent study of New York’s BIDs⁴ found that after a BID is formed, the value of commercial property within the BID increases by an average of approximately 15 percent above the value of comparable properties inside the neighborhood but outside of the BID. The BIDs with the largest budgets had the most significant impacts on property values. In

⁴ Furman Center for Real Estate & Urban Policy, “The Benefits of Business Improvement Districts: Evidence from New York City,” Policy Brief, July 2007, Available at: <http://furmancenter.nyu.edu/documents/FurmanCenterBIDsBrief.pdf>; Ellen, Ingrid Gould, Amy Ellen Schwartz, and Ioan Voicu, “The Impact of Business Improvement Districts on Property Values: Evidence from New York City,” Furman Center, Working Paper 07-01, May 2007, Available at: http://furmancenter.nyu.edu/publications/documents/ImpactofBIDcombined_000.pdf;

this study, BID formation did not appear to affect the value of residential properties within the BID.

- A study of BIDs in Philadelphia⁵ found that areas with BIDs experienced markedly fewer property crimes and thefts than non-BID areas. This study also found no evidence that BIDs were “pushing” crime into neighboring area; rather, crime decreased overall.
- A recent study by the RAND Corporation⁶ found that neighborhoods in Los Angeles that have adopted BIDs have experienced significantly reduced rates of robberies and marginally significant reductions in rates of general violence.

D.2.2.2. Special assessment districts have a strong track record for satisfying community expectations once in operation.

One quantitative measure of community satisfaction with special assessment districts is whether they are renewed after the initial term (usually 5-15 years in San Francisco) expires, or allowed to dissolve. Because San Francisco’s CBD program is so new, only one of San Francisco’s CBDs, in Union Square, has come up for renewal; the Union Square property owners voted to renew the CBD for a second five years in 2004. Special assessment districts in New York City, however, date back to the 1980’s and have therefore been tested more often. Of New York City’s 60 BIDs, none has ever been dissolved; instead, every district has agreed to continue or expand operations since the BID’s inception.⁷

Community satisfaction can also be measured qualitatively. Many of the executive directors interviewed for this study measured their success in part by “pats on the back.” A story published on the Tenderloin CBD’s website is typical of many of the anecdotes that interviewees shared: “A less than pleased property owner expressed his concerns which were immediately addressed by a committee of management, Board Directors and our service provider. Not only was he impressed, [but] his concerns were satisfied and . . . as a history buff, he might get involved in the neighborhood's plans for historical tours.”

D.2.3. Service Offerings

A.2.3.1. Special assessment management organizations are becoming increasingly innovative in the range and type of services they offer.

Common CBD and BID services include marketing and promotions, planting and maintaining landscaping, regular street cleaning and graffiti removal, and security. In addition, some CBDs offer business attraction/retention and urban planning services, and others have achieved significant victories from advocacy efforts. The following examples illustrate the range of approaches that CBDs can take to providing neighborhood services.

⁵ Hoyt, Lorlene, “Do Business Improvement Districts Make a Difference?: Crime in and Around Commercial Areas in Philadelphia,” *Journal of Planning Education and Research*, v. 25, no. 185 (2005), Sage Publications.

⁶ MacDonald, John, et al, “Neighborhood Effects on Crime and Youth Violence: The Role of Business Improvement Districts in Los Angeles,” Safety and Justice Program, RAND Infrastructure, Safety, and Environment, 2009. Available at: http://www.rand.org/pubs/technical_reports/TR622/?ref=homepage&key=t_la_arrest.

⁷ New York City Department of Small Business Services, “Starting a Business Improvement District: A Step-by-Step Guide.” Available at: <http://www.nyc.gov/html/sbs/html/neighborhood/bid.shtml>.

a) Marketing and promotions

- The Fisherman’s Wharf Association’s marketing efforts have been among the most successful in the city. With the help of a paid advertising firm, the Association has designed an official logo and style guide for Fisherman’s Wharf marketing materials, launched a marketing website, conducted a visitor survey that included 900 interviews, and helped promote and find sponsors for the Annual Fleet Week, Holiday Lights & Sights, Crab Festival, and Fourth of July events. The Committee has also installed seasonal street banners and submits regular story ideas to the local media.
- The San Jose Japantown Business Association publishes a brochure listing all the businesses in Japantown, maintains a website, and publishes ads in Silicon Valley newspapers. The Association has also brought new visitors to the neighborhood by sponsoring events like the Spirit of Japantown Festival and a regular farmer’s market. According to one San Jose official, “without the BID’s marketing, a lot of the businesses in Japantown would go under.”

b) Maintenance and Beautification

- The North of Market/Tenderloin CBD has a contract with San Francisco Clean City to sweep sidewalks and gutters five days a week and to provide mechanical sidewalk scrubbing twice a month, high pressure steam cleaning/power washing once a month, and spot steam cleaning and disinfecting as necessary. San Francisco Clean City is a non-profit organization that hires local residents, including the formerly homeless and marginally housed. The Tenderloin assessment funds have also paid for additional trash receptacles, graffiti removal, and tree planting a watering.
- The Fisherman’s Wharf Association contracts with a maintenance company to steam clean sidewalks on a quarterly basis and more frequently during the tourist season, and has installed hanging flower baskets and pedestrian way-finding signage. The Association also works with the SFPD’s Graffiti Abatement unit to ensure that property owners remove graffiti within 72 hours of reporting.

c) Security

- *Off-duty police officers:* The Fisherman’s Wharf Association hires off-duty San Francisco Police Department officers to augment security, particularly on Friday and Saturday nights in the height of the tourist season. The organization provides the police officers with cell phones, so merchants can call them directly to report problems.
- *Public ambassadors:* The Central Market CBD combines its public safety program with social service outreach and hospitality services. The CBD hires uniformed public ambassadors (called “Community Guides”) who receive First Aid training as well as training from social service providers, the San Francisco Police Department and other safety agencies. The Guides radio a central dispatch office when they see an unsafe situation or an individual who needs help, and the office directs the call to the Police Department, local service provider, or other appropriate agency. The Guides also serve as community ambassadors, providing pedestrians with directions and information.

- *Events, advocacy, and outreach:* The Fisherman’s Wharf Association holds monthly brown bag lunches with the police department and recently formed a PIERsafe Committee to organize emergency response drills and hold emergency response certification courses. The Central Market CBD hosts Public Safety Seminars, allowing community members to discuss issues such as pedestrian safety, nuisance crime, and safe shopping with civic leaders. The Tenderloin CBD persuaded the SFMTA to remove a bus shelter near a children’s park that was sheltering illegal activities, and helped form “The New Tenderloin,” a separate group that works with city agencies and provides additional community programming to improve safety.

d) Business attraction and retention

- The Castro/Upper Market CBD has partnered with the San Francisco LGBT Community Center to provide technical assistance to small businesses and work with brokers, property owners, and prospective tenants to fill vacancies. Prospective tenants can sign up for regular broker tours and obtain detailed information on vacancies and consumer trends from databases that the CBD and community center maintain. For small businesses, the Center provides services including business plan development, loan packaging, financial statement development and review, and help determining loan amounts and accessing appropriate lenders.
- The Myrtle Avenue Partnership offers \$1,000 façade improvement grants to local businesses for the design and installation of features such as new signs or awning, painting, restoration of historic details, lighting, or the installation of interior, open-grille security gates. The Partnership also provides free design assistance to grant recipients and makes referrals to manufacturers.
- Kathy Sakamoto, the Executive Director of the San Jose Japantown Business Association, stays in touch with the San Jose Redevelopment Agency’s Retail Recruitment Program to make sure that San Jose’s Japantown receives its share of attention from the program.

e) Urban planning

- Several San Francisco’s CBDs lead planning processes for streetscape and transportation improvements. In 2007, the Fisherman’s Wharf Association hired EDAW, a San Francisco design firm, to organize community workshops and develop a vision plan. The plan identified a number of priority projects, including redesigning Jefferson Street with bicycle lanes and wider sidewalks, developing a parking management plan, and reviewing zoning and design standards. Once the plan was complete, the Association presented it to Dean Macris, then director of San Francisco’s Planning Department, and Supervisor Aaron Peskin. Impressed by the CBD’s commitment advocacy and perseverance, the Planning Department assigned a planner to work with the CBD and the community on the development of a Public Realm Plan, a Jefferson Streetscape Improvement Plan, and new zoning and design guidelines that will address the priorities identified in the CBD-sponsored vision plan.⁸

⁸ The Fisherman’s Wharf planning efforts represent a similar level of commitment on the part of the Planning Department as the Japantown Better Neighborhood Plan.

f) Advocacy, outreach, and leveraging resources

- The Castro/Upper Market CBD is working with Supervisor Bevan Dufty, the Duboce Triangle Neighborhood Association (DTNA), and various City agencies to implement a new streetscape plan. The planning began when the San Francisco Municipal Transportation Agency (MTA, or Muni) started construction work on rails in the district. The CBD and DTNA saw an opportunity to improve the streetscape as part of the construction, so the organizations hired Urban Ecology, a community design firm, to create a streetscape and pedestrian safety plan. As part of the planning process, the CBD and DTNA reached out to community members for input, and worked with Supervisor Dufty to arrange meetings with the MTA and other City agencies. The CBD has received a Community Challenge Grant from the City that will fund part of the streetscape improvements, and continues to work with the City to find additional funding for the proposal. According to Andrea Aiello, the Castro/Upper Market CBD's Executive Director, one of the main benefits of the process has been “educating city agencies about what’s important. At least now the different agencies know what we want.”
- The Downtown Berkeley Association (DBA) has been particularly successful in leveraging limited resources by working closely with existing programs and the City of Berkeley. The DBA works to inform its members about Alameda County’s Sobering Center, encouraging them to call the Center to pick up inebriates. As a result, the Sobering Center has begun focusing more attention on downtown Berkeley. The DBA also arranged for the Alameda County Guaranteed Ride Home program, which usually only serves businesses with 75 or more employees, to “bundle” downtown Berkeley’s businesses and provide transportation for the district’s workers.
- Many successful CBD initiatives leverage existing resources available through the city, county, or other community organizations. For example, the Castro/Upper Market CBD’s business attraction program is based on a partnership with the San Francisco LGBT Community Center, which already runs economic development programming, as well as with city agencies. The Fisherman’s Wharf Association has worked with the San Francisco Police Department’s Graffiti Abatement Unit to ensure that graffiti is removed within 72 hours of reporting.

D.2.3.2. Management organizations typically contract out services like street cleaning and landscaping, and partner with other organizations to assist with security, business technical assistance, retail recruitment and retention, marketing campaigns, and other specialized activities.

Most CBD management organizations hire contractors to provide services like street cleaning and landscaping. Some have hired off-duty police officers (e.g. Fisherman’s Wharf) or public ambassadors (e.g. Central Market CBD) to provide security. Depending on staff expertise and level of funding, some organizations design their own marketing campaigns and conduct informal business outreach (e.g. Myrtle Ave. CBD and San Jose Japantown Business Association), while others have hired advertising agencies or planning consultants to assist with marketing campaigns, streetscape and transportation planning efforts, and retail development (e.g. Fisherman’s Wharf, Castro/Upper Market CBD).

D.2.3.3. Management organizations can serve as a valuable source of information, community outreach, and advocacy, acting both formally and informally.

Many management organizations publish community calendars and neighborhood guides, hold regular community meetings where residents and business owners can discuss their concerns with representatives from city agencies, and lobby government agencies for improved services. Less formally – but often just as valuably – a special assessment district creates a full-time advocate for the community by funding the salary of an executive director (and, in some cases, paying for other staff members as well). This function can be especially helpful when it supplements a limited budget for providing formal services. For example, the Executive Director of the Downtown Berkeley Association, Deborah Bahdia, has been highly successful at attracting “eyes on downtown Berkeley” in the form of city grants and increased levels of service from other agencies. Kathy Sakamoto, the Executive Director of the San Jose Japantown Business Association, works on an informal level on what she calls “cultural development.” When a new business owner moves in, for example, Ms. Sakamoto introduces them to the neighborhood’s active cultural life (explaining that community organizations will ask for regularly for donations!), and explains which city offices to call to access certain services.

D.2.4. Ensuring Success

D.2.4.1. Designating an existing organization to manage a special assessment districts can increase the district’s impact.

According to Michael Blaise Backer, the Executive Director of the Myrtle Avenue Brooklyn Partnership, the fact that the management organization was already in place before the BID was established has played a big part in the Myrtle Avenue BID’s success. The Partnership “already had strong credibility and a strong track record” and was moving in a positive direction; the BID contributed to the Partnership’s ongoing work by creating a sustainable funding source.

D.2.4.2. Management organizations tend to be more successful if they offer a comprehensive range of services to address the community’s needs, without duplicating the services offered by other community organizations.

The Unity Council, which manages Oakland’s Fruitvale BID, is a striking example of an organization that has been extremely successful in part because of the comprehensive range of services it offers – including everything from façade improvement grants and business assistance, to Head Start, a senior center, homeownership services, and housing development.

D.2.4.3. Special assessment districts are most successful when they draw from a broad assessment base.

The 2007 Furman Center study of New York BIDs found that those with the largest budgets had the most significant affect on property values. The importance of a broad assessment base has been born out in local experience as well. The Downtown Berkeley and San Jose Japantown BIDs currently only assess business owners. As a result, the Downtown Berkeley Association relies on City grants – which are awarded annually at the discretion of City departments – to fund some of the most common BID services, including security and sidewalk cleaning. The Japantown Business Association is unable to provide security or maintenance services; indeed, board members have been known to pick up trash and clean benches themselves. Another BID in San Jose, in the historic

Willow Glen neighborhood, will soon begin assessing property owners instead of merchants in order to increase the assessment base.

D.2.4.4. An inclusive community outreach process that addresses stakeholder’s concerns and a broadly representative board are critical to a district’s success.

The Tenderloin CBD is a good example of a district that managed to build community support despite significant initial resistance. The Tenderloin’s strong homeless advocacy groups were initially concerned that the CBD’s services would displace homeless people. The district’s organizers conducted several meetings with the advocacy groups and convinced a number of their representatives to sit on the Steering Committee that oversaw the CBD’s formation. Through this outreach process, most of the advocates saw their concerns addressed and came to support the district. Most importantly, the community compromised on how to provide security services; instead of hiring additional security guards, the CBD focuses on lobbying the city to direct more police attention, social services, and other resources to the neighborhood. Several homeless and tenant advocates now sit on the Board of Directors.

The Tenderloin CBD also met with opposition from some property owners – particularly community organizations and churches – who were resistant to pay a new assessment. According to Elaine Zamora, one of the district’s founders and the current executive director, commercial and residential property owners were eventually convinced that they would see the benefit in increased property values. Residential tenants and business owners (who pay for the assessment indirectly, through increased rents) supported the idea of cleaner and safer streets. Community organizations and churches took more convincing, although they pay a reduced assessment. As Ms. Zamora said, “You need to let them know that their members have an impact on the street. Social services – especially those that hand out food and create lines – have an impact. You have to diplomatically point out that they have an impact, and will benefit [from cleaner and safer streets].”

D.2.4.5. Experienced staff members help management organization function smoothly, and serve as valuable assets for the community.

Executive directors with skills and experiences that complement a district’s needs can run a management organization more effectively, and become community leaders. For example, Karen Bell, the Executive Director of the Fisherman’s Wharf Association, came to her position from the San Francisco Visitors and Convention Bureau. Ms. Bell’s background in development, marketing, and security perfectly complements the Association’s primary activities. The Executive Director of the Tenderloin CBD, Elaine Zamora, came from a legal background and has experience in grassroots organizing and advocacy, which has allowed her to build support for the CBD’s initiatives in a neighborhood where residents, business owners, and community advocates often have conflicting priorities. Ms. Zamora also serves on the board of a number of other community organizations, including The New Tenderloin and the Tenderloin Economic Development Project.

D.2.4.6. The Office of Economic and Workforce Development, the local supervisor’s office, and other city agencies can offer valuable support.

CBD management organizations work closely with City staff and elected officials. The Board of Supervisors must approve new CBDs, so gaining Supervisor support is critical. The Office of Economic and Workforce Development (OEWD) oversees the City’s CBD technical assistance

program, and is instrumental in helping neighborhoods set up CBDs, and connecting existing CBDs with city resources.

A.2.4.7. Local and statewide special assessment district networks can also provide support and training.

Several executive directors interviewed for this study recommended that Japantown’s CBD management organization take advantage not only of City resources, but also of the knowledge and experience that other, similar organizations have gained. San Francisco’s CBDs meet every two months, and many BIDs and CBDs also participate in the California Downtown Association, the National Trust for Historic Preservation Main Street program, and the California Main Street Alliance.

D . 3 . S o u r c e s

Thanks to all of the city staff, CBD/BID executive directors, and board members who took the time to be interviewed for this study, including:

- Andrea Aiello, Executive Director, Castro/Upper Market Community Benefit District
- Michael Blaise Backer, Executive Director, Myrtle Avenue Brooklyn Partnership
- Deborah Bahdia, Executive Director, Downtown Berkeley Association
- Karen Bell, Executive Director, Fisherman’s Wharf Association
- Rodney Fong, Board President, Fisherman’s Wharf Association
- Lisa Pagan, Project Manager, San Francisco Mayor’s Office of Economic and Workforce Development
- Kathy Sakamoto, Executive Director, San Jose Japantown Business Association
- Elaine Zamora, Executive Director, North of Market/Tenderloin Community Benefit District

Other sources include annual reports and other content available on the following websites:

- Castro/Upper Market Community Benefit District: <http://www.castrocbd.org/content/>
- Central Market Community Benefit District: <http://www.central-market.org/>
- Downtown Berkeley Association: <http://www.downtownberkeley.org/>
- Fisherman’s Wharf Association: <http://www.fishermanswharf.org/>
- Japantown Business Association (San Jose): <http://www.japantownsanjose.org/>
- Myrtle Avenue Brooklyn Partnership: <http://www.myrtleavenue.org/>
- North of Market/Tenderloin Community Benefit District: <http://www.nom-tlcbd.org/>
- The Unity Council: <http://www.unitycouncil.org/>