

Community and Economic Development

3



Japantown's many small businesses and community and cultural organizations function as the neighborhood's center of gravity. Together, commercial and non-profit uses create a culturally and economically vibrant place that serves the needs of local residents, and attracts tourists and Japanese Americans from around the region to the district on a daily basis. Small businesses and cultural, religious, and human services/advocacy organizations also play a critical role in transmitting Japanese American culture and heritage to the next generation, and in supporting each other. The district's non-profit organizations host hundreds of classes, meetings, festivals, performances, and other events each year. These activities connect participants with the Japanese American experience, and attract visitors who play an integral role in supporting the local economy

by patronizing local businesses. At the same time, small businesses provide goods and services that contribute to Japantown's cultural identity, and keep community organizations' core constituencies returning regularly to the community.

Maintaining the neighborhood's institutions, as well as a culturally-oriented retail base that sells everyday goods, is critical for preserving Japantown's threefold roles as a neighborhood center, the cultural home of the Bay Area's dispersed Japanese American community, and a regional tourist destination. This chapter summarizes the challenges and opportunities currently facing Japantown's cultural organizations and small businesses and provides a series of recommendations for maintaining and strengthening them.

3.1 Existing Conditions

Japantown's small businesses are clustered around the Japan Center, Peace Plaza, and the Buchanan Mall, as well as along Fillmore Street. While some of the cultural and community institutions are also located in the blocks surrounding Buchanan Mall, community-based organizations operate on many other blocks of the study area as well (See Figure 3.1: Existing Small Businesses and Cultural and Community Organizations). The small businesses and community institutions rely on their geographical concentration to maintain Japantown's unique cultural draw. While some visitors may come for annual events such as the Cherry Blossom Festival and stay to dine and shop for gifts and clothing, others come regularly to buy groceries, attend classes or meetings, or utilize community services. The mix of retail and cultural institutions also serves local residents well, providing goods, support services, and a sense of community for an ethnically- and income-diverse population.

While Japantown's retail and cultural institutions currently form a critical mass, they face challenges as the neighborhood continues to change. Japantown's Japanese American population began to disperse decades ago as a result of internment and urban renewal, and the neighborhood's population of Japanese Americans continues to decrease today as the neighborhood diversifies and the residents and business owners age. A future reconstruction of the Japan Center would create new physical and economic changes and opportunities. Community members, organizations, and business owners have adapted to significant changes in the past, as described in detail in Chapter 2: Community Heritage. After World War II, Japanese Americans returned from internment to a vastly altered neighborhood, but managed to revitalize their shops and cultural



The block of Post Street between Laguna and Webster streets and Buchanan Mall marks the heart of the commercial district.

organizations and to coexist with the African American community, businesses and institutions that had sprung up during the war. Urban renewal forced more dramatic changes by displacing thousands of families and businesses, but also precipitated a new generation of activists, leaders, and institutions. Meanwhile, locally-owned Japanese and Korean American businesses eventually opened in the Japan Center, reinventing this product of urban renewal as a central part of the community.

With a strong framework for adjusting to future transitions, Japantown's residents and extended community can maintain the everyday retail and the community-based organizations that form the neighborhood's core, a critical goal that serves as the foundation of this Plan. During the Better Neighborhood planning process, the community discussed the challenges that need to be



The annual Cherry Blossom Festival is widely publicized and attracts people from all over the region.

addressed in order for the district's small businesses and cultural institutions to retain their role as the living, breathing heart of the neighborhood and the region's Japanese American community.

Challenges facing Japantown's small businesses include rising expenses, a need for increased maintenance and security, family business ownership transitions, and the potential reconstruction or renovation of the Japan Center.¹ Community organizations identified declining memberships, financial difficulties, organizational capacity challenges, a lack of permanent space for community-based organizations, and limited space for community activities as issues that need to be addressed. Non-profits also identified an opportunity to improve the utilization of existing community facilities. These challenges and opportunities are further described in the following sections.

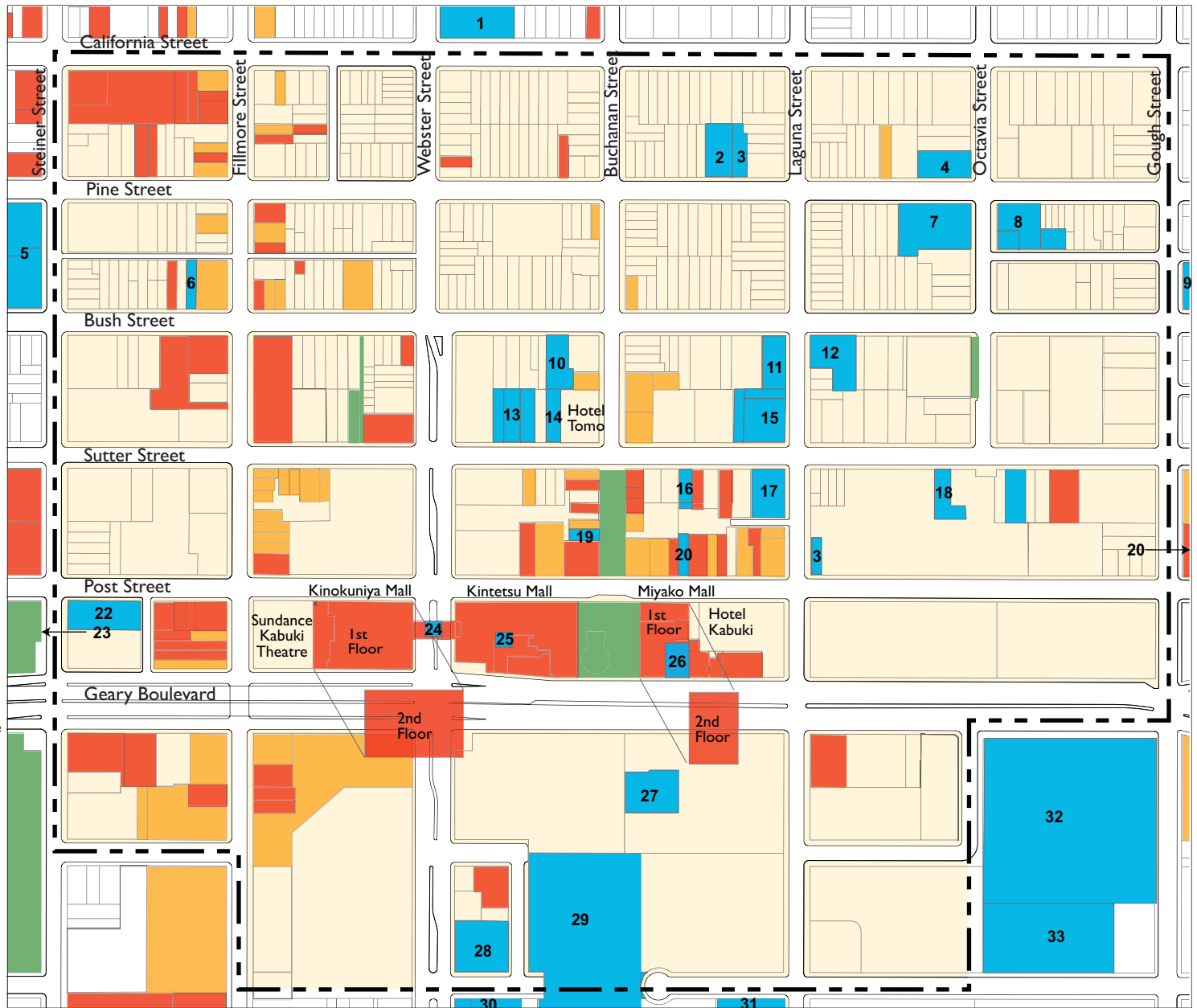
¹ "Japan Center" in this chapter refers to Kintetsu Mall, Miyako Mall, and the Japan Center Garage; it does include properties west of Webster Street.

LEGEND

- Small Businesses
- Mixed Use (Small Business & Other)
- Cultural and Community Institutions
- Open Space

Cultural and Community Institutions

- 1 Congregation Sherith Israel
- 2 Nichiren Buddhist Church
- 3 Japanese Community Youth Council
- 4 St. Francis Xavier/St. Benedict's
- 5 St. Dominic's Priory of SF
- 6 Unity Church of SF
- 7 Sacred Heart Preparatory School
- 8 Buddhist Church of San Francisco
- 9 Buddhist Churches of America
- 9 Trinity Church
- 10 Kinmon Gakuen
- 11 Nihonmachi Little Friends
- 11 Konkō-Kyō Church
- 12 Kokoro Assisted Living Center
- 13 Japanese Cultural & Community Center of N. California
- Japanese American Historical Archives
- Nobiru-Kai (Newcomer's Club)
- Kimochi Senior Services
- Japanese Community Youth Council
- 14 Nihonmachi Little Friends
- Japantown Arts and Media Workshop
- 15 Christ United Presbyterian Church
- 16 Japanese American Citizen's League
- Japantown Task Force
- Japanese American Religious Federation
- Benevolent Society of American (Jikeikai)
- Hokka Nichi Bei Kai
- 17 Sokoji Soto-Zen Temple
- 18 Japanese American National Library
- 19 Kimochi Senior Services and Kimochi Home
- 20 National Japanese American Hist. Society
- 21 Korean Center, Inc.
- 22 Jones Memorial United Methodist Church
- 23 SF Public Library (Western Addition Branch)
- 24 Kimochi Lounge
- 25 Ikenobo Ikebana Society of America
- 26 Union Bank Hospitality Room
- 27 Buchanan Street YMCA/YWCA
- 28 Full Gospel Church
- 29 Rosa Parks Elementary School
- 30 Glad Tidings Tabernacle
- 31 Golden Gate Kindergarten Assn.
- 32 St. Mary's Cathedral
- 33 The Roman Catholic Welfare Corp. of SF



Sources: San Francisco Planning Department; Ben Pease, "2004: San Francisco's Japantown Begins a New Century," 2004; Japantown Task Force, "Cultural Preservation Report for Japantown, San Francisco," 2004; Strategic Economics, 2008.

Figure 3.1
Existing Small Businesses and Cultural and Community Organizations



Small Businesses

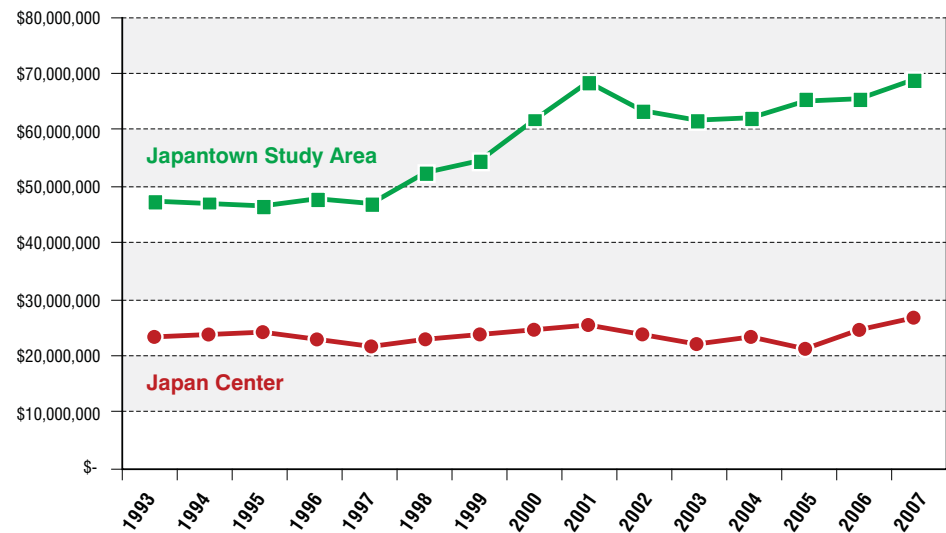
Japantown's business owners and residents identified the following issues facing the district's small businesses:

- **Retail Performance.** Retail sales in the study area as a whole are strong, but business owners report rising expenses.
- **Business Climate.** Retail performance is also effected by neighborhood-wide conditions such as maintenance, security, and unfilled vacancies.
- **Ownership Transitions.** Family-owned businesses may face difficult transitions, or be forced to close, as long-time business owners retire.
- **Japan Center Reconstruction.** The Japan Center currently serves as a community gathering place and showcase for Japanese American culture, and provides space for small, locally-owned, and/or culturally relevant businesses. The unknown future of the Center has resulted in additional vacancies and a general sense of unease among the business community. The possibility of reconstruction and relocation has reduced the existing merchants' investment in their businesses. If and when the Japan Center is rebuilt, the construction may displace small businesses in the malls, disrupt the businesses and community organizations located near the malls, and reduce the neighborhood's parking supply.

Retail Performance

As a whole, the retail base in the Plan Area has performed strongly in recent years. After the nationwide economic decline following 2001, sales steadily increased through 2007² (see Figure 3.2: Japantown

Figure 3.2
Japantown and the Japan Center: Total Sales, 1993-2007
(in 2007 dollars)



Sources: City of San Francisco; Strategic Economics, 2008

and Japan Center: Total Sales, 1993-2007). These sales totals include several blocks of high-end retail on the northern end of Fillmore Street that draw customers from Pacific Heights. However, since the sales performance of stores in the overall study area generally follows trends in the Japan Center, the data does not seem to be significantly skewed by the Fillmore Street businesses. Parking demand at the Japan Center Garage is another measure of the strength of the malls and the district. The number of vehicles parking in the garage on a daily basis has remained essentially flat since 2003³, indicating that the number of shoppers has remained steady (see Figure 3.3: Japan Center Garage, Total Number of Day-Parking Vehicles 2003-2008). The vehicle count at the garage did fall during the 2007

renovation of the Sundance Kabuki Theatre, but was on the path to recovery in the spring of 2008. Rents in Japantown average between \$2.50 and \$3.50 per square foot per month, both in the Japan Center and the rest of the district.⁴

On the other hand, business owners report that expenses are increasing. The Japan Center's new management has improved lease enforcement (the previous management had sometimes allowed rents to go uncollected), and the increasing price of goods is effecting all businesses. Rents will most likely increase within the malls and throughout the neighborhood if the Japan Center is rebuilt or renovated.

² Strategic Economics analyzed the City of San Francisco's sales tax data for the district over a 14 year period, from 1993 to 2007, the most recent year available. Since the purpose of the analysis was to understand retail performance, Strategic Economics removed sales from all non-retail stores. Sales totals were adjusted to reflect inflation and the fact

that different business types have varying mixes of taxable and non-taxable sales (e.g., approximately 30 percent of sales made at supermarkets are taxable). The sales tax data for Japantown as a whole includes the Japan Center; however, the Japan Center data was also analyzed separately.

³ These counts include only daily (or "transient") vehicle parking. Long-term parking arrangements (such as the 400 spaces leased to the California Pacific Medical Center) are not included. Source: Japan Center Garage Corporation, 2008.

⁴ Rents are given as triple net (NNN), meaning that costs such as real estate taxes, building insurance, and maintenance are not included. Note that rents on Fillmore Street are higher (\$4.50 - \$5.00 per square foot per month) and are not included in the range given for Japantown above (\$2.50 - \$3.50). Sources: LoopNet.com, March 2009; EDAAW, 2008; Strategic Economics, 2009.

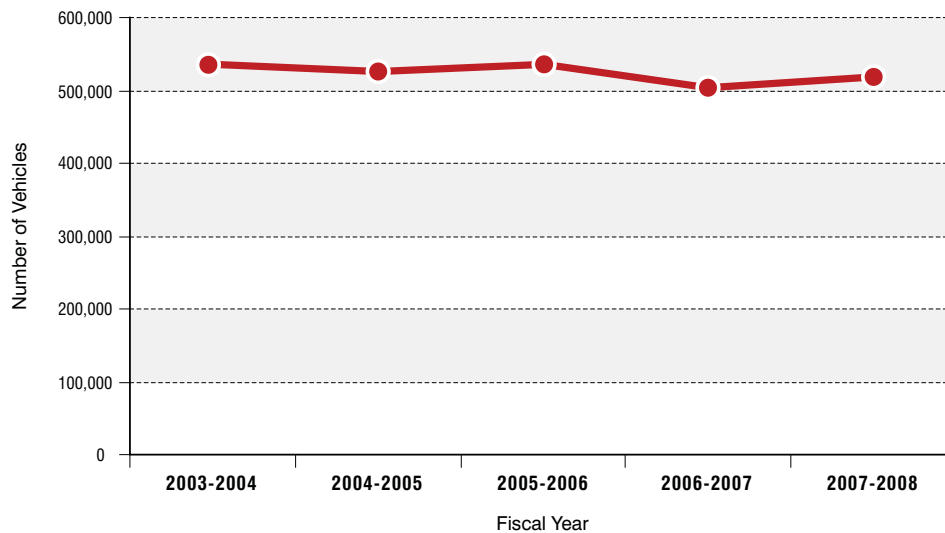


Figure 3.3
**Japan Center Garage:
 Total Number of Day-
 Parking Vehicles per
 Year, 2003-2008**

Sources: Japan Center Garage Corporation, 2008; Strategic Economics, 2008



Depending on the time of day, the malls appear to be bustling with activity.

Business Climate

Residents and business owners have identified a need for improved maintenance and security to ensure that the district continues to attract shoppers and visitors. In 2006, the Japantown Task Force established a Japantown Community Benefit District (CBD) Steering Committee to consider forming a property or business special assessment district to fund sidewalk cleaning, landscaping, marketing, and private security. The Committee prepared a draft Management District Plan, but postponed further discussions about CBD formation in spring 2007, pending the recommendations of this Plan.⁵

Maintaining the strength and character of Japantown’s retail base also requires filling vacancies with culturally appropriate businesses. In 2006, the area bounded by Bush, Geary, Fillmore and Laguna was designated in the Planning Code as a Special Use District, requiring that all major use changes and all new formula retail conform to the neighborhood’s character and receive approval from the Planning Commission.⁶ In addition, the Japan Center’s owners have signed a covenant with the City of San Francisco which requires that, to the extent commercially feasible, the malls’ tenants “offer goods and services that reflect that culture, heritage,

tradition or arts of Japan or of Japanese Americans...”⁷ Landlords and property managers have reported difficulties with finding tenants that meet these requirements. However, management has had some success recruiting tenants through word of mouth and is working with Japanese corporations and local and Japanese officials to find additional possibilities.

⁵ See Appendix D and the Recommendations section of this chapter for more detailed information about CBDs.

⁶ San Francisco Municipal Code, SEC. 249.31., “Japantown Special Use District,” July 2006.

⁷ “Post Closing Agreement – Kintetsu Mall,” April 2006.

Ownership Transitions

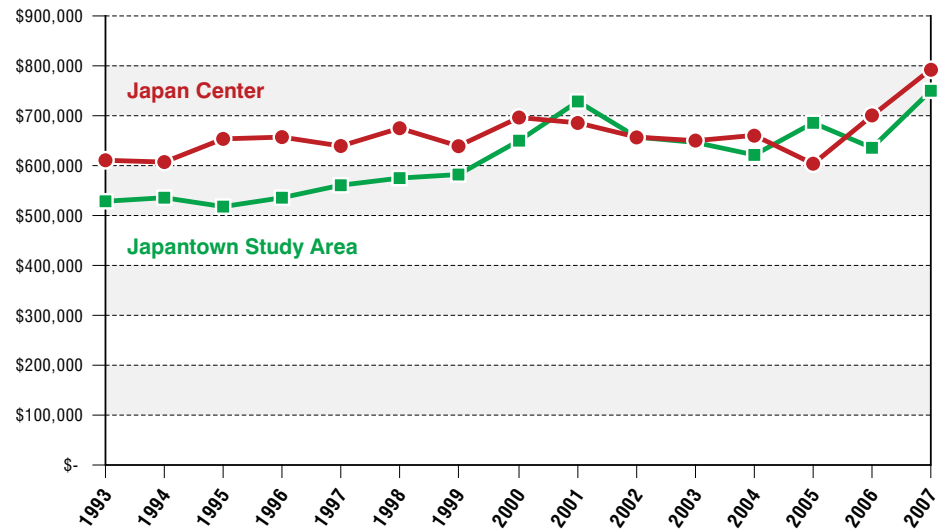
Some long-established, family-owned businesses may require assistance with ownership transitions as aging business owners retire. A 2000 study found that 28 percent of businesses in Japantown were established before 1975, and 57 percent were established before 1985. Interviews conducted in 2000 also found that many business owners who were planning on retiring soon did not have family members interested in continuing their businesses.⁸ The business owners and community members who attended the BNP focus groups and community meetings did not identify retiring business owners as an immediate concern. However, this issue should still be addressed as many family businesses may eventually face such a transition.

⁸ "Concepts for the Japantown Community Plan," prepared for Japantown Planning, Preservation and Development Task Force by BMS Design Group and Porat Consulting, November 2000, www.jtowntaskforce.org.



The century-old family business, Benkyodo (above), is the only place to buy handmade mochi (Japanese rice cakes).

Figure 3.4
Japantown and the Japan Center: Total Sales per Establishment, 1993-2007
(in 2007 Dollars)



Sources: City of San Francisco; Strategic Economics, 2008

Japan Center Reconstruction

Small business owners and community members are particularly concerned with the potential effects if the Japan Center undergoes substantial renovation or reconstruction. The Japan Center currently plays a central role in Japantown's economic and community life. The malls provide space for many Japanese American and pan-Asian businesses, including a grocery store, several restaurants and cafes, and many jewelry, apparel, arts and gift stores. Many of these businesses are small and locally owned.

In addition, the malls serve as a community center, providing space for community festivals and daily informal gatherings. The Japan Center garage also plays an important role in the community by providing parking for shoppers patronizing businesses throughout

the district, and for visitors participating in community meetings and events. A significant renovation or reconstruction project would disrupt these activities at least temporarily, and could potentially precipitate larger changes in the neighborhood. Rents and parking prices are likely to increase if the malls are rebuilt, and some small businesses and community events may need to relocate temporarily or permanently.

On the other hand, the malls and the parking garage are aging, and an improved Japan Center could potentially draw new and more frequent shoppers, visitors, and residents to the community. In addition, while individual stores may be struggling, data on sales tax revenues indicate that most of the stores in the malls have performed well in recent years, and may therefore be able to survive the disruption or displacement caused

by construction. Sales at stores within the malls have increased steadily in recent years, and the malls as a whole performed better in 2007 than in any previous year since 1993 (see Figure 3.2: Japantown and Japan Center: Total Sales, 1993-2007). In general, sales at the Center have followed trends within Japantown as a whole, although average sales per establishment in the malls began falling a year before the 2001 district-wide decline, perhaps because of the 2000 reconstruction of Peace Plaza (see Figure 3.4: Japantown and the Japantown Center: Total Sales Per Establishment, 1993-2007). In 2006 and 2007, the Japan Center showed higher average sales per establishment than did stores in Japantown as a whole.

Cultural and Community Institutions

Community members identified the following challenges and opportunities to the viability of the neighborhood's community and cultural organizations.

Capacity Challenges

Many of Japantown's existing community-based organizations were founded in the 1960s or 70' by Sansei (third-generation Japanese Americans), including the Japanese Community Youth Council, Nihonmachi Little Friends, the Japanese Community and Cultural Center of Northern California, Nobiru-kai, the Japanese American National Library, the Japantown Arts and Media Workshop, Asian Pacific Islander Legal Outreach, the Japanese American Historical Society, and Kimochi, Inc. Other organizations were founded by the Issei or Nisei (first- or second-generation), and have transitioned to Sansei leadership. While many of these organizations continue to provide invaluable services and programming, the non-profit community is concerned that some organizations may be facing

financial difficulties, shrinking memberships, and overlapping missions, and may benefit from consolidating administrative functions and/or adapt to accommodate the preferences of younger generations.

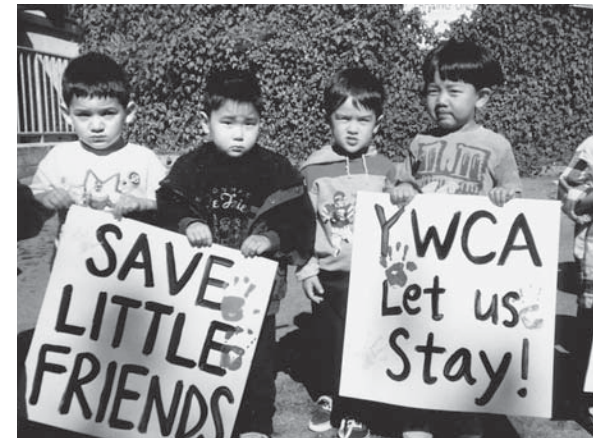
Lack of Permanent Space for Existing Organizations

The community includes a number of organizations that are struggling to maintain a physical presence in the neighborhood because they do not have permanent facilities. The community places a particularly high priority on retaining Nihonmachi Little Friends (NLF), a bilingual preschool that serves a diverse group of families from all over the region. NLF currently rents the ground floor of the Kinmon Gakuen building and owns and occupies the adjacent Julia Morgan YWCA (see Figure 3.1, numbers 10 and 14). Kinmon Gakuen is considering renovating, however, so the preschool may need to find a new, permanent space in the neighborhood that is well-suited for childcare services.

Limited Space for Community Activities

The Japanese Community and Cultural Center of Northern California (JCCCNC), the Japanese Community Youth Council (JCYC) and other facilities throughout Japantown provide space for many artistic, cultural, youth, and community activities. However, some community members and organizations without dedicated facilities have identified a need for additional, affordable space. In particular, the following types of space needs were identified as priorities:

- New performing arts space (or improved access to existing space) for rehearsals and performances
- Space for intergenerational gatherings and activities, to replace the function that the Japantown Bowl served prior to its demolition



Finding permanent space for long-standing childcare services is a community priority.

- Space for youth activities, including unstructured gathering and “hanging-out” space, open recreation facilities such as audio/video mixing and screening rooms, computer facilities, a garden, a youth-friendly kitchen, and/or pool tables; and exhibit space for youth artwork.
- Space for art, cultural and historic displays.

In addition to buildings owned by non-profits such as the JCCCNC, facilities such as the Sundance Kabuki Theater, Rosa Parks Elementary School, Hotel Tomo and Hotel Kabuki are occasionally used by community organizations for performances or meetings. When completed, the J-POP Center will also include a small theater. However, community groups report that these privately or publicly owned facilities have limited openings and are too expensive to rent.



JCCNC is actively used on a daily basis for youth and senior services.

Improved Utilization of Existing Facilities

Meeting some of Japantown's community organizations' needs for permanent, dedicated space may require the construction of new facilities. Future private development projects (such as 1481 Post or the reconstruction of Japan Center) may include community space, but this type of community benefit is subject to negotiations and the market, and in any case is unlikely to materialize in the short-term. In general, however, there is very limited vacant space in the heart of Japantown for new construction.

On the other hand, the privately and publicly owned buildings mentioned above – such as the Sundance Kabuki Theater and Rosa Parks Elementary School – could potentially serve more community organizations if they established community rates that were more affordable and/or the reservation process were

simplified. In addition, many of the facilities that are currently owned or occupied by non-profits are underutilized, or are being used for a purpose for which they are not well-suited. A comprehensive inventory is required in order to identify exactly which buildings could be better utilized. In BNP focus groups, however, members of the non-profit community suggested that Kinmon Gakuen (see Figure 2.1, number 10), the Christ United Presbyterian Church (number 15), the Buddhist Church of San Francisco (number 8), the Buchanan Street YMCA (number 27), and the Nichi Bei Kai building (number 16) could be better utilized to meet the existing community and cultural organizations' spatial needs, including practice space, performance space and gallery space. Building the organizational capacity necessary to meet this challenge is a key strategy of this Plan.



Space for cultural arts practice and performances, such as Taiko drumming, is not as easy to find as desired.

3.2 Recommendations and Strategies

In order to address the concerns described in the previous Existing Conditions section, Japantown’s residents, community organizations, and business owners worked with the City to identify strategies for maintaining the neighborhood’s cultural and economic vitality, detailed in the following sub-sections.

Above all, achieving these strategies will require strong leadership with the capacity to start new programs and see them through. Therefore, the central recommendation of this section is to create an “Implementation Organization” charged with overseeing implementation of the Better Neighborhood Plan. The following subsections outline general steps for creating the organization, implementing the other community and economic development strategies, and addressing the possible renovation of the Japan Center.

Establish an Organization to Oversee Implementation of the Better Neighborhood Plan

Establishing a community-controlled, non-profit organization to provide leadership is the critical first step to implementing business and community organization support strategies. The Implementation Organization will be most effective if it builds on the capabilities of an existing organization dedicated to the preservation and revitalization of Japantown. The Better Neighborhood Plan Steering Committee should therefore consider which existing non-profits meet these criteria, and implement a process for selecting an organization to serve as the Implementation Organization for the Plan.

Once a non-profit organization is designated as the Implementation Organization, the organization’s staff should work with the BNP Steering Committee members and other interested community members to draft a new strategic plan. In addition, the Implementation Organization’s Board of Directors should be expanded to fully represent the neighborhood’s property owners, merchants, residents, and cultural and service organizations/institutions to ensure the perspectives and needs of Japantown’s diverse stakeholders are addressed. The Board members can then work with other volunteers in committees to oversee specific aspects of Plan implementation.

The Implementation Organization will need to raise money from a variety of sources, and should begin hiring staff and implementing the Plan as soon as initial funding is raised. It should not compete for the same funding as existing Japantown organizations. However, the organization will be most successful if it is funded at least in part by a reliable, dedicated revenue source. A Community Benefit District (CBD)⁹ is a mechanism employed in 10 other commercial areas in San Francisco in which business owners pay an annual fee which goes to funding neighborhood improvements – including maintenance and security, marketing and promotions, business attraction and retention, and advocacy for historic district designation and other

goals. A CBD could also help support organizational and program administration and oversight.

The Implementation Organization should work with the Japantown CBD Steering Committee to revisit the assessment methodology, boundaries, budget and draft management plan published in 2007, and to conduct an extensive community education campaign about the benefits of implementing a CBD. The revised CBD plan should meet the community’s goals, provide direct benefits to those assessed, and support the findings and recommendations of the Better Neighborhood Plan. When the Implementation Organization and CBD Steering Committee determine that sufficient community support exists, the CBD Steering Committee should be expanded to include all interested stakeholders, including residential, commercial and institutional property owners and the Committee should move into the CBD formation stage. The funds generated by a CBD are legally restricted to pay for improvements or projects that benefit all of its contributors, so additional funding sources will be necessary to pay for select projects/programs that do not meet the criteria.

Community Benefit Districts are described in greater detail in Appendix D: Community Benefit District Case Studies. Appendix D also includes lessons and examples from a series of case studies, which the Japantown community may wish to consider as they move forward with forming a CBD.

⁹ 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 entity comprised of those who pay the assessments, including merchants, property owners, residents, and stakeholder organizations. CBDs in San Francisco have historically funded programs such as sidewalk cleaning, graffiti removal, landscaping, security, marketing and special events, business attraction and retention services, streetscape improvement plans, historic resource designation campaigns, and advocacy efforts. CBD assessment revenues are often used to fund services similar to those recommended by the National Trust for Historic Preservation’s Main Street program; indeed, some assessment district management organizations participate in the Main Street program.

Actions

- Create an “Implementation Organization” for the Better Neighborhood Plan. The Implementation Organization should build on the capabilities of an existing organization dedicated to the preservation and revitalization of Japantown.
- Expand the Implementation Organization’s Board of Directors to fully represent Japantown’s stakeholders, including community organizations, businesses, and residents.
- Develop a strategic plan for the Implementation Organization.
- Establish sub-committees of board members and volunteers to oversee specific aspects of Plan implementation, such as:
 - Administration & Operations
 - Fundraising
 - Marketing and Promotions, District Identity and Streetscape Improvements
 - Maintenance, Beautification, and Safety
 - Business Retention and Attraction
 - Community Organization Support
 - Heritage and Preservation
- Conduct fundraising campaign to fund Implementation Organization’s operating costs and activities.
- Implement CBD formation campaign.
- Apply for grants from private foundations and public agencies; work with private corporations and business groups that complement, rather than compete with existing Japantown’s organizations fundraising efforts. Leverage the CBD funding as community match for private foundation funding.
- As funding becomes available, hire Implementation Organization staff members according to the staffing strategies laid out in the strategic plan.

Promote the District as a Regional Destination through Enhanced Marketing and Support for Community Events

By coordinating Japantown’s marketing efforts and providing support for new and existing community events, the Implementation Organization can help maintain the flow of visitors who regularly shop in Japantown and participate in community events; expand awareness of Japantown among cultural tourists; and support the neighborhood’s community organizations and small businesses.

The Implementation Organization should work with the San Francisco Convention and Visitors Bureau, the Japantown Merchant’s Association, and other Japantown business and community organizations to build on existing marketing and promotional efforts and find new funding sources (potentially including Community Benefit District assessment revenues) to support community events.

Appendix D, Section D.2.2 describes the marketing and promotions strategies employed by the Fisherman’s Wharf Association, which may serve as a potential model for Japantown.

Actions

- Build on and coordinate existing marketing and promotions strategies for Japantown.
- Support new and existing community events.

Provide Increased Maintenance, Beautification, and Security Services

Community members and business owners have identified a need for improved maintenance and security to ensure that the district feels comfortable for residents, shoppers, participants in community activities, and other visitors. The Implementation Organization can meet this need by hiring maintenance and security contractors, most likely funded by CBD assessment funds. Appendix D, Section D.2.2 provides examples of maintenance, beautification, and security services provided by other San Francisco CBDs.

Actions

- Hire maintenance and security contractors to provide cleaning, landscaping, and security services.

Increase Business Retention Efforts to Address Ongoing Pressures on Existing Small Businesses

Japantown’s small businesses serve the needs of local residents, function as critical components of the district’s cultural identity, and draw cultural tourists and residents from around the region. The Implementation Organization should address the ongoing pressures that face existing small businesses, both within the Japan Center and throughout the rest of the district, by connecting merchants with existing business assistance programs, and, if additional support is determined to be necessary, providing specialized services targeted to Japantown businesses’ specific needs. These targeted efforts may include partnering with organizations that specialize in assisting family owned businesses facing ownership transitions.¹⁰ In addition, the actions

¹⁰ The School of Business and Management’s Family Business Center at the University of San Francisco, which provides workshops, advisory services, and on-line resources, is one organization that specializes in assisting family businesses with ownership transitions.

proposed in the next sub-section also address small business challenges.

Appendix D, Section D.2.2 provides examples of business retention and attraction programs offered by other CBDs. Appendix E: Implementation Case Studies, Section E.2 provides case studies of business retention services and “lessons learned” for Japantown.

Actions

- Provide materials about existing business assistance programs in San Francisco, including technical assistance, façade and tenant improvement grants, and small business loans.
- Hire staff, a consultant, or other specialist to assess the strength of businesses currently located in Japantown and determine what types of support are needed (e.g. business training, loan packaging, ownership transitions for family-owned businesses).
- As needed, hire staff, a consultant, or other specialist to provide additional business assistance targeted to Japantown’s needs.
- Explore working with assistance programs specializing in ownership transition

Recruit New, Culturally Appropriate Businesses to Fill Vacancies as They Arise and Achieve Desired Retail Mix

In addition to improving maintenance and security and providing business retention services, maintaining the strength and character of Japantown’s retail base requires filling vacancies with businesses that contribute to Japantown’s character. The Implementation Organization should develop a comprehensive retail strategy for the district, and then hire a specialist to help fill vacancies with businesses that meet the goals of

the retail strategy. The retail strategy could also include an analysis of rent increases and other challenges facing existing small businesses, and identify strategies for addressing those concerns.

Appendix D, Section D.2.2 provides examples of business retention and attraction programs offered by other CBDs.

Actions

- Develop a comprehensive retail strategy for the entire district that identifies Japantown’s successful retail sectors and existing and emerging customer bases, and defines a desired business mix that builds on these strengths. As needed, the retail strategy could also examine approaches for mitigating the challenges facing existing small businesses, such as rising rents. Work in cooperation with owners of the Japan Center malls to ensure that the plans for the district and the malls are complementary.
- Hire a specialist, such as a broker, to manage list of vacant spaces and work with property owners and potential tenants to fill vacancies with businesses that meet the goals of the retail strategy.

Improve Access to Space for Community Activities

A number of long-standing community organizations do not have permanent or adequate space in the community, while others have spaces that are not being fully utilized.

The Implementation Organization and community groups should work with the school board and the owners of the Kabuki Theater, the hotels, and other privately owned buildings in order to facilitate the use of these spaces. For example, the Implementation Organization may be able to negotiate reduced group or

community rates, and coordinate a centralized process for reserving space in any of the neighborhood’s many theaters, meeting rooms, and other facilities.

Community organizations will also need to work together in order to improve the utilization of buildings owned or occupied by non-profits. Organizations may need to formulate agreements for sharing or trading spaces, and in some cases may need to manage significant renovation projects. The Implementation Organization can facilitate this process and assist organizations with building the organizational capacity necessary to coordinate efforts, and plan and implement capital projects.

The Implementation Organization should conduct a comprehensive inventory of facilities, and coordinate improvements and efforts based on the results of the inventory and analysis.

Kinmon Gakuen presents a particular opportunity, and serves as an example of the challenges and potential benefits that may be involved in improving the utilization of Japantown’s community buildings. The lower level includes a theater that is currently leased to Nihonmachi Little Friends, but lacks storage space and other features that the preschool requires. Kinmon Gakuen as a whole, and the theater in particular, requires extensive renovation. If funding were raised for renovation and another, more appropriate space were found for NLF, Kinmon Gakuen could meet many of the community’s needs for performing arts; and the classrooms on the upper floors could be used for practice and educational space for other community organizations in need.

In order to take advantage of opportunities like Kinmon Gakuen, community organizations will need

to use the results of the inventory and work together to identify and implement opportunities for better use of existing resources, and to plan and raise funds for renovations.

While the Implementation Organization can help with coordination efforts, those organizations that require new or renovated facilities will need to take primary responsibility for planning and implementing their projects. Appendix E, Section E.1 provides case studies of cultural organizations that have implemented major development projects, and lessons learned for Japantown. Appendix F: Planning a Multi-Use Community Facility explains the typical planning process that a group of community organizations would need to go through in order to develop a new facility.

Actions

- Work with management at the Sundance Kabuki Theater, Rosa Parks Elementary School, Hotel Kabuki, Hotel Tomo, the J-POP Center, and other privately or publicly owned buildings to facilitate the use of existing theaters, meeting rooms, and other space by community groups.
- Conduct an inventory of space utilization in buildings owned and/or occupied by community organizations. Specifically, the inventory should assess the match between the organizations' space requirements and the availability of dedicated rehearsal performance and practice space; displays; intergenerational activities, classes and meeting space; informal youth recreation space; non-profit office space and childcare space.
- Assess inventory findings and propose specific opportunities for existing organizations to share space.

- If inventory results in the determination that renovations or new space are required for specific community uses or organizations, coordinate efforts among community organizations and assist with drafting strategic plans and conducting capital campaigns.

Strengthen Community Organizations' Administrative Capacity

The non-profit community is concerned that some older community-based organizations are facing financial difficulties, shrinking memberships, and overlapping missions. The Implementation Organization can help these organizations work together to consolidate administrative functions, coordinate fundraising efforts, or find other ways of adapting to changing demographic and economic conditions.

Actions

- Conduct an inventory of community organizations' administrative service needs and capacity.
- Assess inventory findings and propose specific opportunities for existing organizations to share administrative services.
- Coordinate fundraising efforts among individual community organizations/events, as desired.

Mitigate the Impact of Future Japan Center Construction

Businesses and community institutions throughout Japantown rely on the Japan Center Garage to meet their parking needs. If the Japan Center undergoes significant renovation or reconstruction, the garage could potentially be closed for some period of time,

depending on the phasing of the project. In addition, businesses along Post Street and the Buchanan Mall could be impacted by noise, pollution, and other effects of construction, and neighboring community organizations and festivals that take place in the Peace Plaza, the Japan Center, and on the surrounding streets could also be affected. These impacts can be mitigated by providing as much replacement parking as possible during reconstruction, and by creating a plan for managing other construction impacts.

The Planning Department and the Japan Center's property owner and/or developer will need to negotiate the details of a construction mitigation program. The Implementation Organization can play a role in this process by representing community interests, and potentially assisting with implementation. The following actions are suggestions, contingent on the scale and phasing of reconstruction, and the outcome of negotiations.

Actions¹¹

- Work with the developer to create a plan for managing construction impacts such as loss of parking, noise, pollution, and traffic, and mitigating the effect on businesses, festivals, and community organizations.
- Create "Open for Business" signage and promotional materials (See Appendix E, Section E.2.2).
- Identify and implement replacement parking strategies, such as:
- Providing valet parking in Nihonmachi Parking Corporation surface lots and the parking lot under Sundance Kabuki Theater.

¹¹ Contingent on the scale and phasing of reconstruction, and on negotiations with the property owner/developer.

- Negotiating with nearby garages to allow valet use of parking garage as needed.
- Other parking options, such as St. Mary’s Cathedral, using Webster for parking, converting parallel to diagonal parking on some streets.

Explore Strategies for Temporarily Relocating Japan Center Businesses During Renovation

During a reconstruction or renovation project, existing businesses located in the Japan Center will be required to move. These small businesses serve as an important node of community activity in Japantown, help form the foundation of the neighborhood’s identity, and attract thousands of visitors a year. Community members place a high priority on retaining as many of these businesses as possible within the neighborhood, both in the short-term during the construction project, and in the long-term once the project is completed.

The Planning Department and the Japan Center’s property owner and/or developer will need to negotiate the details of any program for assisting businesses during renovation. The Implementation Organization can play a role in this process by representing community interests, and potentially assisting with implementation. The following actions are preliminary suggestions, contingent on the scale and phasing of reconstruction, and the outcome of negotiations.

Actions¹²

- Hire staff, a consultant, or other specialist to assess the strength of businesses located in Japan Center prior to reconstruction, and determine what types of temporary space and support businesses will need to survive the Japan Center reconstruction.

¹² Contingent on the scale and phasing of reconstruction, and on negotiations with the property owner/developer.

- Based on business assessment, define criteria for businesses to receive assistance and estimate how much and what kind of space will be needed within Japantown to relocate businesses.
- Conduct inventory of vacancies in Japantown to assess the match between available vacancies and space needed for relocated businesses.
- Based on the results of the business assessment and vacancy inventory and the scale and phasing of the reconstruction project, identify a mix of appropriate options for temporary business relocation, such as:
 - Relocate displaced businesses within Japan Center if project phasing allows.
 - Relocate businesses to vacant storefronts within Japantown.
 - Construct temporary structure on Webster Street or the Buchanan Mall, potentially modeled after Santa Cruz’s Phoenix Pavilions (See Appendix E, Section E.2.1).
 - Organize weekend markets on Webster Street or Buchanan Mall.
- Depending on project phasing and the outcome of negotiations with the property owner/developer, explore the possibility of providing subsidized rents to businesses that are able to move within the Japan Center during reconstruction.

Retain the Japan Center’s Character and its Roles as a Community Gathering Place, Showcase for Japanese American Culture, and Home for Culturally Appropriate Businesses

It is critical to the neighborhood’s long term health that any redevelopment or renovation project maintain the

Japan Center’s primarily Japanese, Japanese American, and/or pan-Asian character, and continues the malls’ role as a community gathering place and showcase for Japanese American culture. The malls should also attempt to retain existing, locally-owned businesses.

In the short-term, the Japan Center’s owners and the Implementation Organization should work together to ensure that the retail strategies for the malls and the rest of the district are complementary. In the longer term, the City and the Japan Center’s property owner and/or developer will need to negotiate the details of how the Japan Center will continue to serve the community’s needs after reconstruction. The Implementation Organization can play a role in this process by representing community interests, and potentially assisting with implementation.

Actions

- Ensure that the Japan Center’s retail strategy complies the district-wide retail strategy developed by the Implementation Organization.
- Provide additional space for visitor information, cultural exhibitions, and performing arts in the rebuilt Japan Center.¹³
- During negotiations, explore the potential impact of providing below-market rents in the rebuilt Japan Center for businesses meeting certain criteria.¹⁴
- During the negotiations, determine appropriate modifications to the existing Japan Center covenants to ensure it facilitates actions listed above.¹⁵

¹³ Contingent on the scale and phasing of reconstruction, and on negotiations with the property owner/developer.

¹⁴ Contingent on the scale and phasing of reconstruction, and on negotiations with the property owner/developer.

¹⁵ Contingent on the scale and phasing of reconstruction, and on negotiations with the property owner/developer.



RECOMMENDATIONS
IN THIS CHAPTER:

Land Use

→ Update Zoning Controls South of Bush Street

- Create Zone 1 (Mixed Residential Zone)
- Create Zone 2 (Neighborhood Commercial Zone)
- Create Zone 3 (Regional Commercial Zone)

→ Activate Ground-Floor Spaces

- Improve Streets Frontages and Streets with Required Ground Floor Commercial Uses
- Protect Pedestrian- and Transit-oriented Street Frontages
- Promote Street Life with Outdoor Activity Areas