



Economics Research Associates

Executive Summary

**SAN FRANCISCO CHINATOWN
ECONOMIC CLIMATE AND
FEASIBILITY STUDY**

Prepared for

**CHINATOWN ECONOMIC
DEVELOPMENT GROUP**

Submitted by

Economics Research Associates

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Section II

EXECUTIVE SUMMARY

The Bay Area economy has enjoyed a period of robust expansion during the past six years, and the businesses in Chinatown have clearly not participated in this expansion due to a number of factors including increased competition from Asian retail centers in the Richmond and Sunset Districts and Bay Area suburbs, decreased access as a result of the demolition of the Embarcadero Freeway, an ongoing shortage of parking, and limited transportation connections to Chinatown. A major concern for San Francisco policymakers and the Chinatown community should be how these Chinatown businesses, that are already on the decline, will fare during the next regional recession.

CHINATOWN COMMUNITY GOALS

Through a series of interviews with members of the Chinatown Economic Development Group and other community leaders, ERA identified a number of goals for this Chinatown economic climate study, including the following:

- Explore the potential for interaction between the historic and cultural and commercial aspects of Chinatown.
- Examine the impact of limited parking availability and congested traffic on the economic vitality of Chinatown.
- Identify major projects that would bring more visitors and visitor spending in on a permanent basis, not just on a special event basis.
- Identify sites that are potentially available for development.
- Preserve the “Chinese” part of Chinatown.
- Develop a strategy that is based on the unique local, regional, and national historical context of San Francisco Chinatown.
- Look at the potential for partnerships with other organizations and facilities being developed in Chinatown.
- Create a strategy that will attract more young people to Chinatown, particularly during the evening hours.

- Examine the impact of high rents on business.
- Develop a sense of the merchant's perspective on the economic climate. Do they think it is declining or not?

CHANGING DEMOGRAPHICS

Changing demographics in the Bay Area have greatly impacted the potential market for goods and services at San Francisco Chinatown businesses. Increasing numbers of Chinese and Chinese Americans in the suburbs and in other parts of San Francisco have led to the rapid growth of a variety of Asian retail stores in these areas. The development of major Asian supermarkets, such as Ranch 99, the inclusion of Asian food goods at mainstream supermarkets such as Safeway, and the development of Asian shopping malls in the suburbs are all indicators of the growing Asian markets in the suburbs. A summary of demographics trends of Asian Pacific Islanders in the Bay Area and in San Francisco is presented in **Table II-1**. These changing demographics have several significant implications related to the economic climate in Chinatown:

- In all Bay Area counties reviewed, the Asian Pacific Islander population over the next 40 years is expected to grow at almost double the rate of the general population, accounting for much of the population growth in the region.
- By the year 2040, Asian Pacific Islanders will comprise a significant amount of the population in many counties, ranging from 10 to 50 percent.
- A majority of the growth in the Asian Pacific Islander population (between 60 and 75 percent) is expected to occur as a result of in-migration. Thus, many of the new Asian Pacific Islanders will be continue to be immigrants.
- Overall population growth in San Francisco during this same period will be limited due to severe land constraints. However, growth of Asian Pacific Islanders in San Francisco, as in other counties, will also exceed growth of the general population.
- Growth of Asian populations in San Francisco is not limited to Chinatown. In fact, due to the small land area of Chinatown, the Asian Pacific Islander population in Chinatown is expected to remain fairly stable over the next five years.

Table II-1
BAY AREA¹ ESTIMATED ASIAN PACIFIC ISLANDER AND CHINESE POPULATION, 1990-2040

Year	Bay Area		Bay Area - Asian Pacific Islanders				Estimated Chinese American Population ³	API Population as % of Total Bay Area	Chinese American Population as % of Total Bay Area
	Population ²	Annual Growth	Population ²	Annual Growth	Average Annual Net Change	Net Migration			
1990	5,206,368	n/a	841,458	n/a	n/a	n/a	317,600	16.2%	6.1%
1991	5,269,850	1.2%	880,101	4.6%	38,643	24,799	330,900	16.7%	6.3%
1992	5,357,961	1.7%	923,051	4.9%	42,950	27,337	345,900	17.2%	6.5%
1993	5,423,996	1.2%	963,438	4.4%	40,387	24,196	360,400	17.8%	6.6%
1994	5,462,682	0.7%	998,129	3.6%	34,691	20,789	372,400	18.3%	6.8%
1995	5,498,485	0.7%	1,031,703	3.4%	33,574	20,597	383,600	18.8%	7.0%
1996	5,587,025	1.6%	1,077,730	4.5%	46,027	26,786	400,200	19.3%	7.2%
1997	5,698,458	2.0%	1,125,050	4.4%	47,320	31,312	416,400	19.7%	7.3%
1998	5,790,877	1.6%	1,180,774	5.0%	55,724	n/a	434,300	20.4%	7.5%
1999	5,873,768	1.4%	1,228,608	4.1%	47,834	n/a	449,300	20.9%	7.6%
2000	5,952,860	1.3%	1,276,504	3.9%	47,896	n/a	464,200	21.4%	7.8%
2005	6,299,242	1.1%	1,505,387	3.4%	45,777	n/a	533,000	23.9%	8.5%
2010	6,558,329	0.8%	1,698,028	2.4%	38,528	n/a	590,600	25.9%	9.0%
2020	6,969,654	0.6%	2,019,625	1.7%	32,160	n/a	684,600	29.0%	9.8%
2040	7,861,503	0.6%	2,750,341	1.6%	36,536	n/a	900,900	35.0%	11.5%

¹ Includes Alameda, Contra Costa, Marin, San Francisco, San Mateo, and Santa Clara Counties.

² Population in years 1999-2040 is projected.

³ Uses 1990 Census Data to estimate Chinese American percentage of Asian Pacific Islander population.

Source: U.S. Census Bureau, CA Department of Finance, ERA.

- Other “new Chinatowns” have developed in the Sunset and Richmond Districts. While these neighborhoods have a lower percentage, they have much higher numbers of Asian Pacific Islanders. The populations in these neighborhoods tend to have higher household incomes, higher home ownership rates, and a relatively lower senior population in comparison to Chinatown. As a result, significant demand and buying power for Asian goods and services have led to and supported the continued development of retail outlets in these areas.
- Other areas such as the Outer Mission, Visitation Valley, and Bay View Hunters Point, are also starting to develop high concentrations of Chinese and Asians Pacific Islander residents and are also likely to develop Asian-oriented retail outlets that will compete with Chinatown.

CHINESE AMERICANS IN THE SUBURBS

In the past, Chinese Americans used to visit Chinatown regularly for both commercial, family, entertainment, and cultural purposes. Now, many Chinese Americans living in the suburbs only visit Chinatown for special events such as the Chinese New Year Parade. ERA conducted two focus groups with Chinese Americans living in the suburbs – the two groups discussed several issues related to changes in and/or conditions of Chinatown that challenge its ability to attract Chinese Americans in the suburbs.

- Parking, public transportation, and access – Poor freeway access (especially since the demolition of the Embarcadero Freeway), difficult public transportation (distance from a BART station), and long parking lines for Portsmouth Square often prevent suburban residents from visiting Chinatown.
- Perception of safety – Poor lighting, empty streets, and the lack of stores open at night are all contributing factors, in addition to shooting incidents that occurred many years ago but received wide publicity.
- Language barrier – For many of the Chinese Americans who feel a strong historical connection to Chinatown (i.e. through a grandparent or member of an older generation), the language barrier poses an access issue. Some of the focus group participants indicated that they often feel uncomfortable in Chinatown because of their inability to communicate effectively with merchants.

- Newer immigrants –The large number of newer, wealthier Chinese immigrants living in the suburbs, particularly those from Taiwan, do not feel a strong historical connection with Chinatown and are unlikely to provide a strong source of market support for Chinatown. For these immigrants, Asian retail centers in Cupertino or Milpitas better serve their needs, and most of this market segment are not likely to have a reason for going to San Francisco Chinatown.
- Balance between market segments - The need to balance between the needs of various market segments and communities in Chinatown is a major challenge for Chinatown. Stores and restaurants in Chinatown tend to cater to the tourists; a different set of services and goods might need to be provided to attract Chinese Americans or other local visitors.
- Changes in business ownership – There seem to be many more non-Chinese business owners in Chinatown. As a result, new business owners without historic or cultural connections to Chinatown are more prevalent.
- Restaurant quality and cleanliness - The quality, variety, and cleanliness of Chinatown restaurants needs to be improved.
- Compartmentalization of Chinatown - Because stores tend to be small and compartmentalized, it is difficult for people from the suburbs who do not know the area well to find a particular item, service, or store. Since there is no centralized directory to stores, it is difficult to find specialty items. This also occurs with events in Chinatown. Many of the focus group participants did not feel that there is a centralized place to find out information about events occurring in Chinatown. Since organizations that sponsor events tend to also be small and decentralized, it is often difficult to find out about events, without joining the mailing lists of 20 different performing arts and/or cultural groups.
- Inadequate performing arts spaces - There are inadequate spaces for performing arts in Chinatown, and most Asian American cultural performances tend to occur outside of Chinatown, in South of Market, Potrero Hill, Japantown, or other areas in San Francisco.
- Competition from other areas - Competition from other areas with larger, cleaner retail outlets and restaurants was discussed as a major trend negatively affecting Chinatown. For East Bay residents, Oakland Chinatown is more convenient, has a

large supply of cheap and secure parking, wider streets, and sometimes even cheaper goods. Grocery stores such as Ranch 99 in the El Cerrito, Milpitas, and Daly City are much more convenient in terms of parking and ease of shopping experience. Chinese restaurants with a variety of Chinese cuisine (from all regions of China and fusion) have developed all over the suburban parts of the Bay Area, and in other parts of San Francisco.

- Lack of entertainment venues - There are no entertainment or “hang out” venues to attract the younger, working crowd. While other areas such as lower Broadway in North Beach, Sony Metreon area in South of Market, and Valencia Street in the Mission have developed many new venues such as theaters, cafes open late at night, swing dancing clubs, bookstores, music stores, and bars, none of these have developed in Chinatown.

CHINATOWN BUSINESSES AND ECONOMIC CLIMATE

In order to better understand the current economic climate in Chinatown, ERA conducted a survey of all street-level businesses in Chinatown. We secured 175 responses from the 500 to 700 street-level businesses. The major findings of the Chinatown street-level business survey are as follows:

- Chinatown businesses tend to be small and localized.
- Most Chinatown business exhibit poor financial performance, with many businesses reporting revenues under \$100 per square foot, and the majority of participating Chinatown businesses reporting revenues under \$200 per square foot. As a comparison, in performing feasibility work for new retail projects in San Francisco, ERA generally looks for sales in the \$300 to \$400 per square foot range.
- Business revenue from all market segments has declined in Chinatown over recent years.
- Major market segments include Chinatown residents, other San Francisco residents, Bay Area suburban residents (including Chinese Americans), and tourists from out of town. Downtown employees are not currently a significant market segment, but represent a potential area of opportunity for Chinatown businesses.

- Merchants feel strongly about the negative impact of lack of parking in Chinatown. Other important factors include competition from the Richmond and Sunset Districts and Bay Area suburbs, higher rents due to the strong economy, and decrease of regional access due to the demolition of the Embarcadero Freeway.

The Bay Area regional economy has undergone strong growth in recent years, as shown by trends in employment, sales tax revenue, and hotel/motel tax. In contrast, Chinatown businesses have experienced decreased sales from all market segments and are losing market share, primarily due to competition from Richmond and Sunset districts, Asian retail centers in the suburbs. Limited parking and lack of direct access via car or public transportation have compounded the impact of the increased competition, resulting in declining Chinatown economy that, without intervention, is likely to face increasing difficulties.

CONCLUSIONS AND RECOMMENDATIONS

The business climate in Chinatown is declining, which is especially concerning given the robust regional economic expansion in the Bay Area in recent years. While local residents still shop in Chinatown, because of the proliferation of Chinese American in Bay Area suburbs and the resulting development of high quality Asian retail stores and restaurants, Chinatown is no longer a commercial hub for Chinese Americans in the Bay Area. Given this economic and geographic reality, it is ERA's opinion that a cultural and historic strategy is extremely important to revitalizing Chinatown. This strategy should incorporate existing and proposed new developments such as the new Chinese American National Museum and Learning Center and the Chinese Culture Center. However, as a result of the fragmentation and compartmentalization of organizations and activities in Chinatown, it is often difficult to find out about performances, lectures, exhibits, activities, and other events in Chinatown. A visitor information center that has good communication with other Chinatown and Asian Pacific American groups and a comprehensive, regularly updated website could help coordinate the dissemination of information and market Chinatown. ERA also recommends the cinema project with supporting, late-night retail such as a bookstore, café, and/or music stores, as a short-term project that could help stimulate evening activity and help revitalize other businesses in Chinatown. A project that combines the visitor center, cinema, and supporting retail would require a public sector subsidy of approximately four to five million dollars and

private equity of approximately two million dollars. Once built, the private development component should be able to sustain itself, and the visitor center would require an ongoing subsidy of approximately \$100,000 per year. However, in the long term, parking, transportation, and physical access to Chinatown will always be major issues. Given that it is practically impossible to provide enough parking, the funding and development of the 3rd Street Light Rail project will be extremely important to the long term viability and vitality of San Francisco's Chinatown.



Chinatown Anchor Businesses

Preliminary Report

Spring 2010

by Chinatown Community Development Center
for the Local Initiatives Support Corporation

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Executive Summary

San Francisco's Chinatown is facing economic challenges despite its strength as a hub of neighborhood-serving businesses. Chinatown Community Development Center planning staff conducted interviews between November 2009 through February 2010 of over twenty anchor businesses from Chinatown's commercial core to investigate the specific strengths and weaknesses that today's merchants are facing. Our findings have allowed us to expand CCDC's July 2009 internal economic strategy to respond to the present economic situation as well as planning for the future. We will continue to adapt to the current changes in need of merchants, while maintaining our vision for a strong, vibrant, and economically successful Chinatown.

CCDC's vision for economic development in Chinatown is to:

“Build community relationships, promote locally-owned retail, and support cultural institutions, while bringing more investment to the neighborhood. Chinatown's local economy should serve as a regional cultural capital mecca for Chinese and Asian-Americans and other visitors alike; its identity rooted in the history of the people and community-based, neighborhood-serving institutions.”

Background

Chinatown Community Development Center has a longstanding history of community empowerment through grassroots organizing and advocacy. Today, we are fortunate to have community planning and organizing teams to that addresses the issues that residents, merchants, and other stakeholders face. Our work extends far beyond the typical caseload for nonprofits: we approach complex issues from various angles. Our project areas cover land use issues, transportation, economic development, open space, public art, safety, affordable housing, and more.

Chinatown Demographics

2000 Census Data	Number
Population within Chinatown's 30 square blocks	15,000
Foreign Born	74%
Population Asian	87%
Average Household Size (people/household)	2.97
Over 65 Years of Age	32%
Limited English Proficiency	81%
Median Annual Income	\$18,339
Total Number of Housing Units	7,054
Rented Units	88%

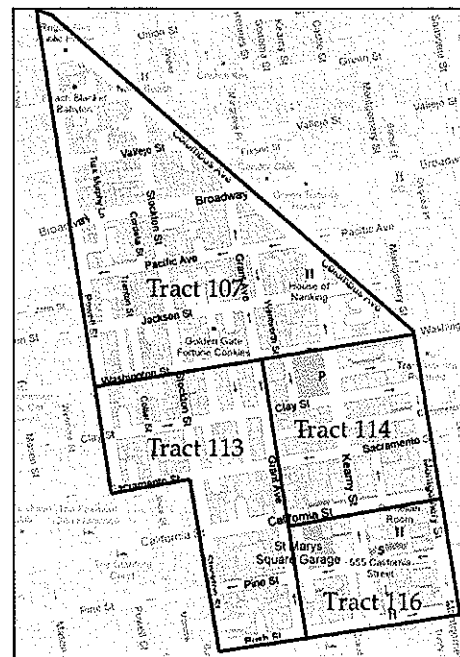
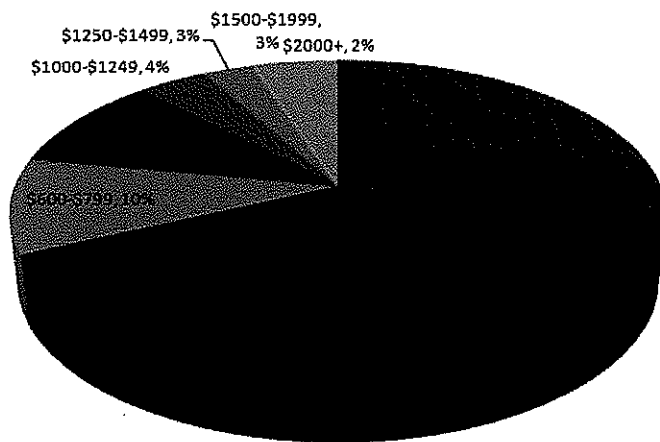


Figure 1: Chinatown Census Tracts (2000) were chosen if tract had over 80% Asian population

Method

Criteria for Selecting Anchor Businesses

Anchor businesses were selected based on the following criteria:

- Represent the diversity of service and retail businesses that serve the local community in addition to tourists
- Serve Chinatown population with affordable and quality goods and services that are culturally appropriate and for all ages
- Asian American Pacific Islander-owned business
- Use innovative ways to attract more customers
- Have clean and attractive façade and indoor space
- Have bilingual signage (i.e. menus, etc.)

Other criteria that were desirable but not mandatory were:

- Existing relationship with CCDC
- Investment in community
- Businesses that treat workers well
- Businesses that stay open late
- Understand business models and clientele

Interview Questions

Here are the questions we asked merchants to understand how they achieve success and what challenges they were currently facing. (See Appendix A for full survey.)

1. What does success mean to you?
2. When are your busiest times for business? Why?
3. What are the best things you have done with your business?
4. How do you view or deal with competition?
5. Have you or would you consider collaborating with complementary businesses next door?
6. How could you improve your business?
7. What would help your business?
8. Who do you go to when you need help with your business?
9. What types of businesses do you think Chinatown lacks?
10. What would encourage you to stay open later?
11. What challenges are you currently facing in your business?
12. What could you do to improve Chinatown's economy?

Selected Anchor Businesses

Name of Business	Business Type	Address
Asia Star Fantasy	CDs, VCDs, DVDs	1122, 1126 Grant Ave
Best Foods Produce	Produce Store	1262 Stockton St
Bill Wong Insurance Agency	Accounting/Tax Prep	43 Waverly Pl
Café Honolulu	Restaurant	888 Stockton St
Chinatown Kite Shop	Souvenir Store	717 Grant Ave
Ching Hing Hobby and Craft Studio	Crafts	28 Wentworth
Clarion Music	Musical Instruments	816 Sacramento
Duk Hing	Herbs	151 Stockton St
Fat Ming Co.	Stationary Store	903 Grant Ave
Four Seas Restaurant	Restaurant	731 Grant Ave
Ginn Wall Hardware Company	Hardware/Cookware	1016 Grant Ave
Golden King, Golden Star Restaurants	Restaurant	757 Clay St, 11 Walter U. Lum Pl
Jen Ju Jewelry	Jewelry Store	801 Grant Ave
L&G Trading: Chinese Traditional Dresses Design Center	Clothing and Clothing Accessories	63 Walter U. Lum
Man Hing and Art of China	Antique Store and Artwork	839, 843 Grant Ave
Mayfu Hair Design	Hair Dresser	42 Wentworth
Tung Fung Trading	Herbs	101 Waverly Pl
Vital Tea Leaf Co.	Tea Shop	1044 Grant Ave
Wells Fargo	Bank	1150 Grant Ave
Wong's TV/Radio Service	TV/Electronic Repair Shop	59 Waverly Pl

Analysis of Results

Below are analyses of merchant answers to questions which helped us prioritize short and long term goals, along with exercising our knowledge and perspective of the neighborhood.

Business Profiles

We asked businesses what year they started, how many other businesses they have in Chinatown, languages spoken, and where their clientele come from. Below are the results of these questions.

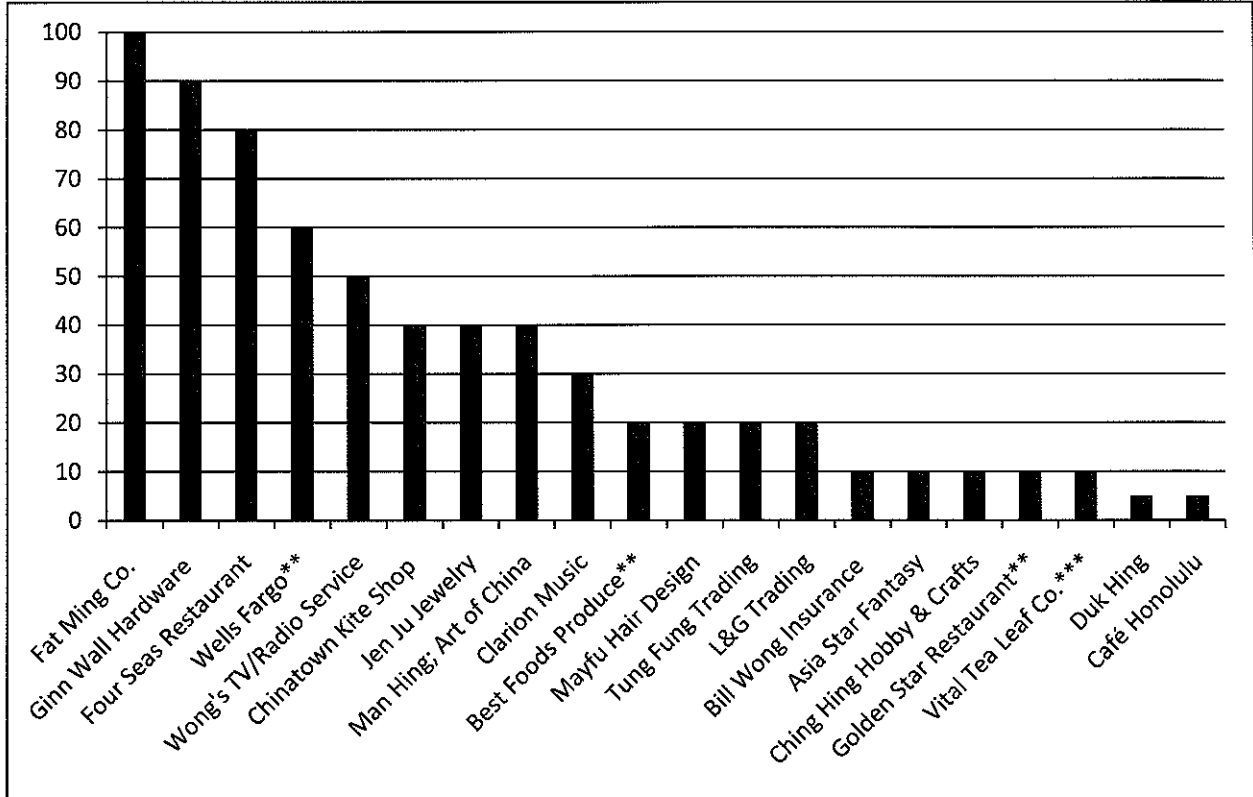


Figure 2: Years in Business (Asterisks=total number of that particular business in Chinatown)

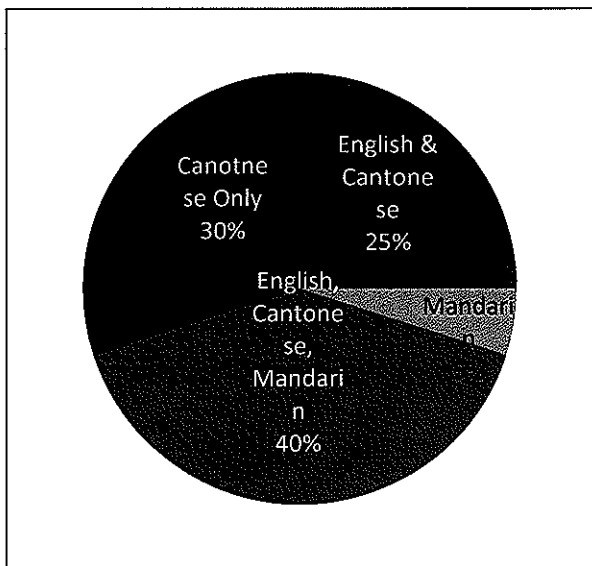


Figure 3: Languages Spoken by Business Owner

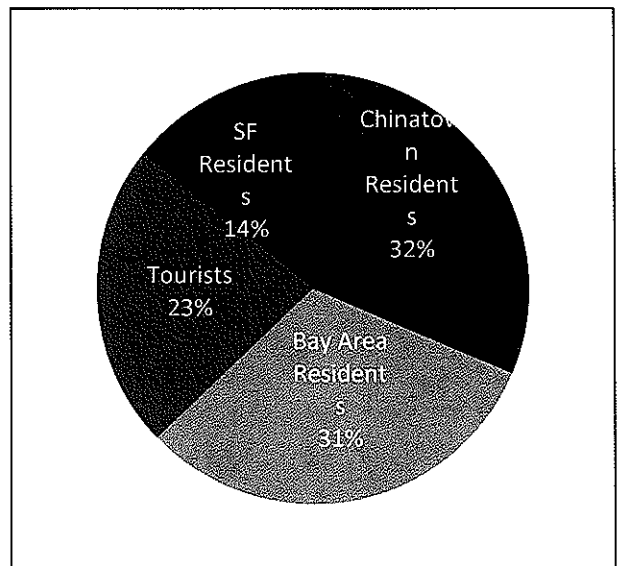
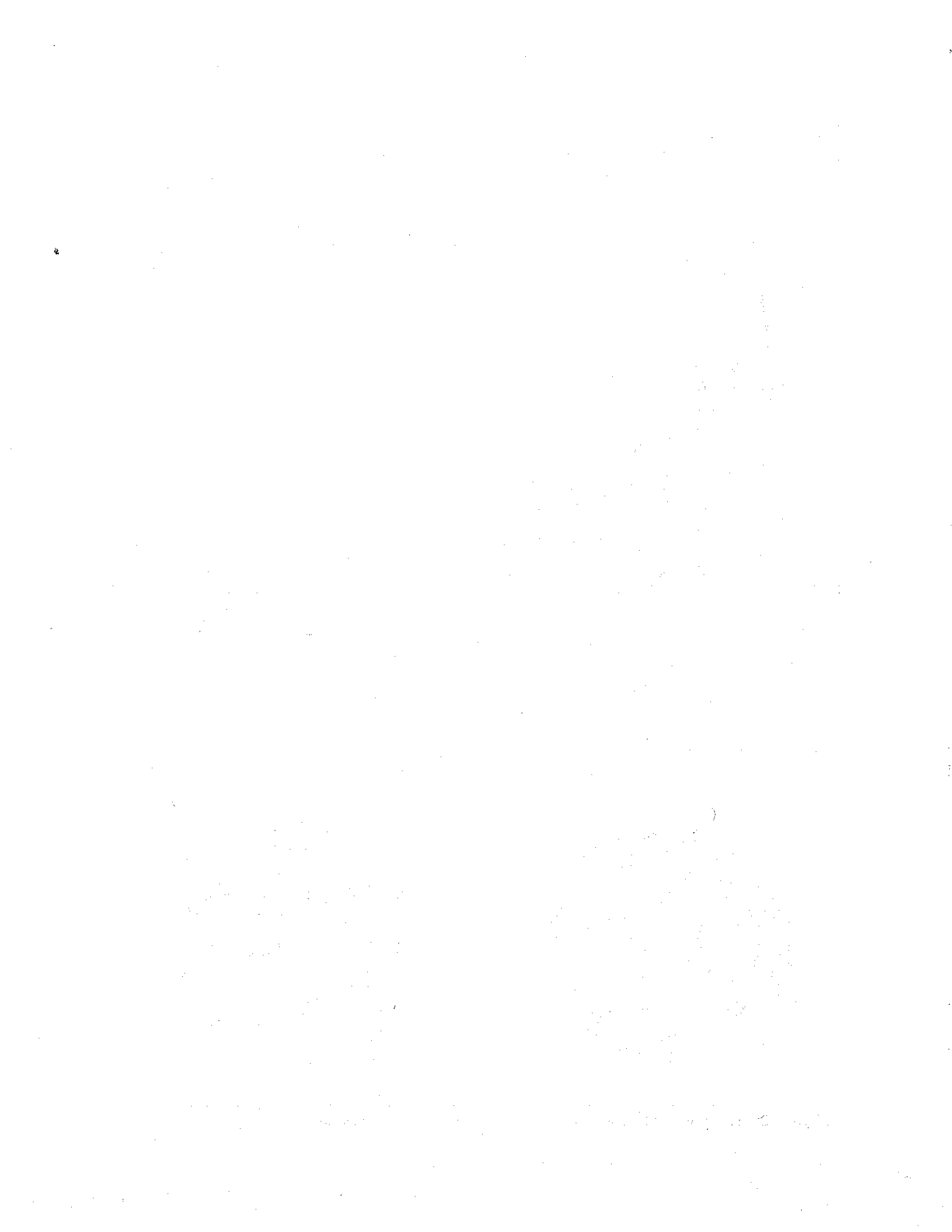


Figure 4: Customer Base



What does success mean to you?

Below is a chart of responses for what success means to businesses. It is worrisome that the majority of businesses are just surviving and in need of more customers and higher profits.

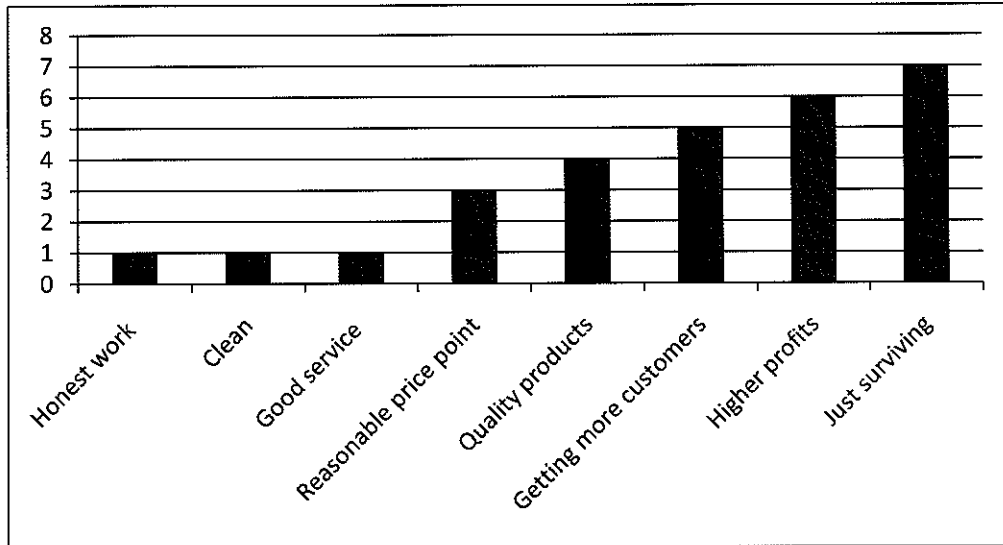


Figure 5: What Does Success Mean to You?

When are your busiest times for business? Why?

Below is a chart illustrating businesses' busiest times. Weekends, holidays, and lunchtime are among the top three. This means that our Park and Ride program is important to provide access to Chinatown for weekends and special events such as Chinese New Year's Parade and street fair, Autumn Moon Festival, Noodle Fest, etc.

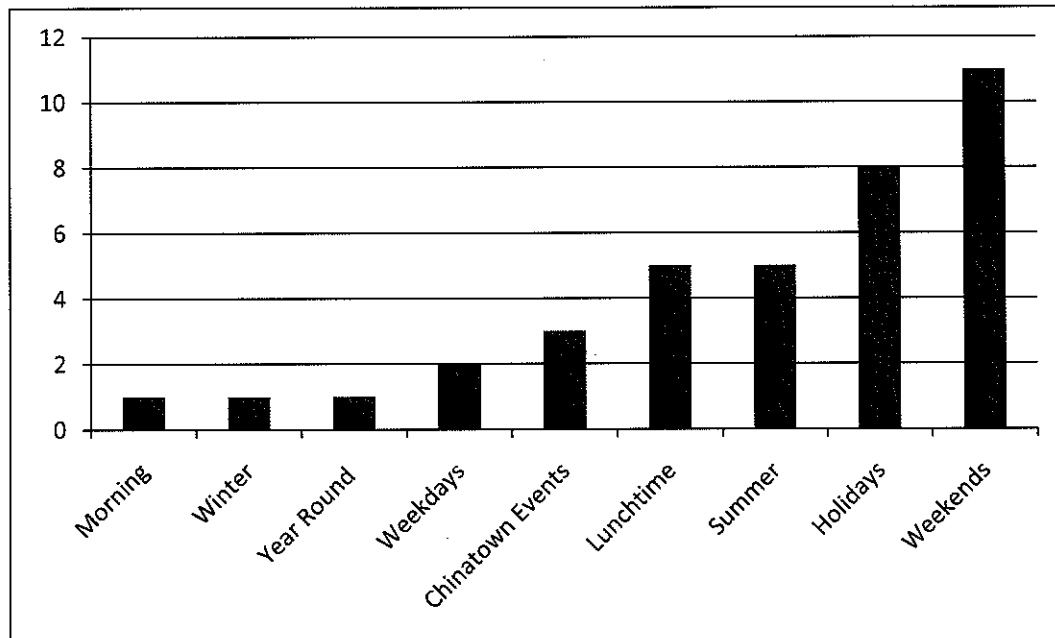


Figure 6: When are your busiest times for business?

What are the best things you have done with your business?

Chinatown anchor businesses brand their goods and service by word of mouth, some on Yelp, revamping company websites, or in ads of tour guidebooks. They strive for good quality merchandise and customer service, offering a cost efficient and diversity of choices to customers. They seek honesty and treat employees well. Practical change is usually the bottom line for businesses, such as changing window display, cleaning up the surrounding environment. Wells Fargo advertises bilingual workshops on small business lending in Sing Tao.

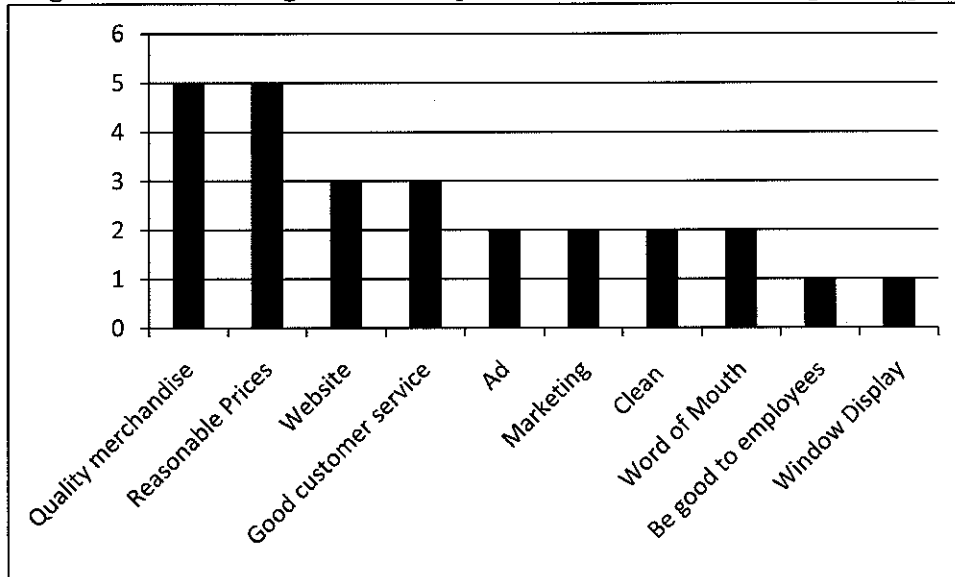


Figure 7: Best things done to improve business

How do you view or deal with competition?

Several business owners stated that the competition makes it difficult to stay on top, especially since the competition drives down the price and reduces the quality. There are also people who said that they are friends with other business owners who have good working relationships and that healthy competition can be fostered if it is constructive and people can learn from each other.

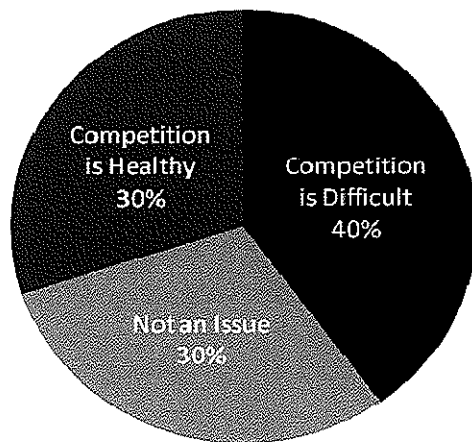


Figure 8: How competition is viewed

Have you or would you consider collaborating with complementary businesses next door?

Nine businesses said they would or already are collaborating with complementary businesses next door by recommending goods (i.e. restaurants) and services to visitors by word of mouth and to exchange and share ideas. Three businesses said they might collaborate with complementary businesses next door if it was done either in an informal way such as occasional conversations to touch base or if there is was an organized plan. Seven businesses would not collaborate for unspecified reasons.

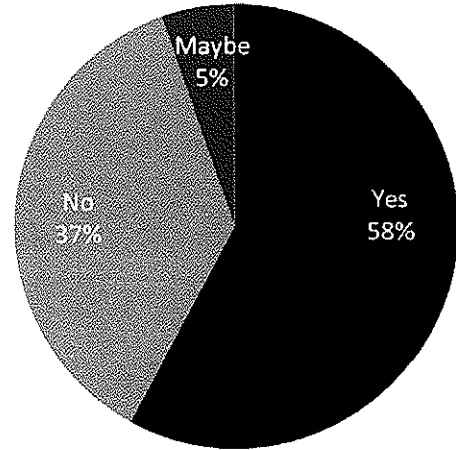


Figure 9: Likelihood of collaborating with other complementary businesses

How could you improve your business?

One merchant thought that marketing will be one way to start attracting more tourists to Chinatown. He was concerned that the City is not interested in investing in Chinatown, and that too much attention is lavished on Union Square, which already has so much investment. Some merchants advertise their business in Chinese newspapers, but from a general observation, most merchants do not have the usual marketing tools that other businesses have (i.e. website, ads in Visitor’s Bureau website, tourist booklets, airline advertisements, agreements with tour companies to stop in Chinatown). Some merchants also want to market Chinatown’s rich culture and history as a tool to educate outside visitors and draw them into the neighborhood.

An interesting idea was brought up regarding the idea of a motorized cable car that would take visitors from the convention centers in SOMA through downtown, Chinatown, North Beach, and Fisherman’s Wharf. The cost would be a ten dollar day pass that tourists can use so they feel safe and comfortable traveling through SF’s scenic spots. The idea is to plug Chinatown businesses with the bus line so tourists can hop on and off the bus as they please.

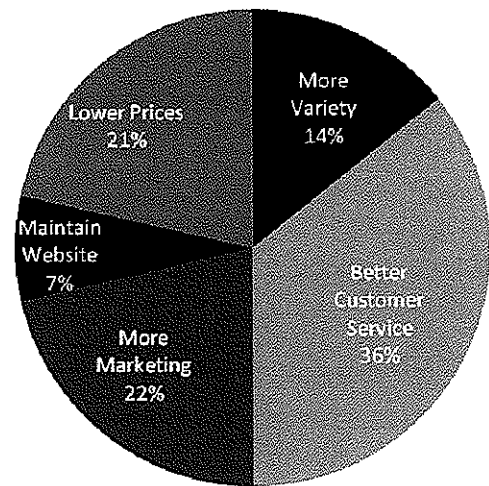


Figure 10: What owners could do to improve their business

What would help your business?

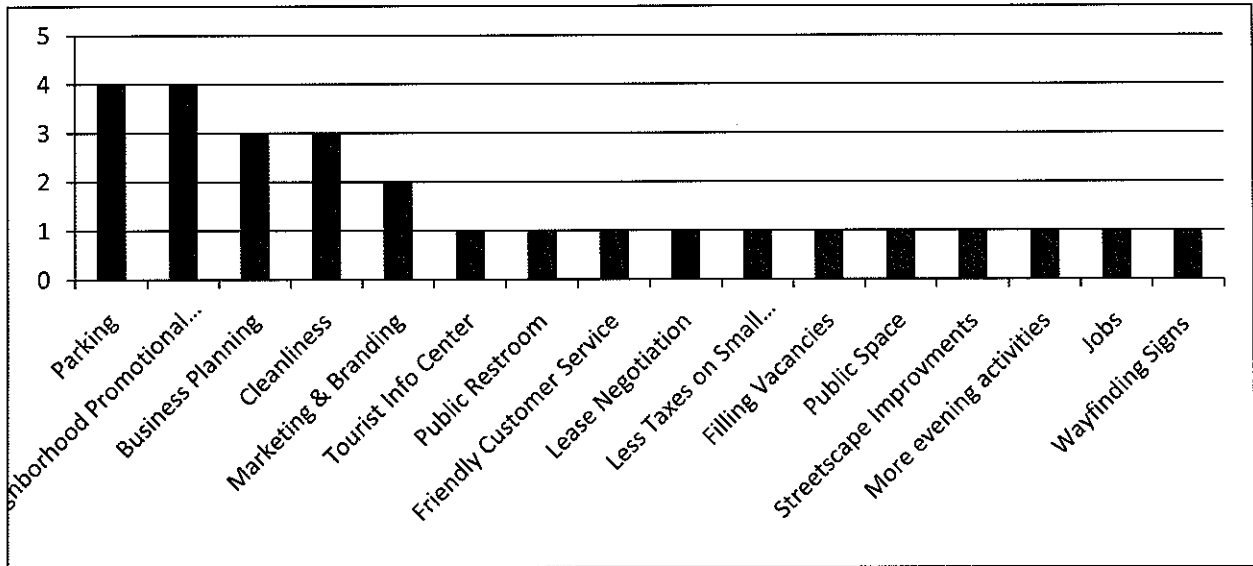


Figure 11: What owners need to improve their business

Business Technical Assistance

For business technical assistance, merchants wanted more marketing/branding, access to low interest small business loans from commercial banks, business planning, lease negotiation, and help from the Small Business Commission. For neighborhood improvements to spur more business, merchants wanted to see more neighborhood promotional events, a tourist information center, a neighborhood website to promote Chinatown businesses with good Yelp reviews, signage for wayfinding within Chinatown to orient visitors, public restrooms, parking spaces, cleaner sidewalks, more trash and recycle receptacles.

Parking

Many merchants think that the City must not extend parking meter hours, operate on Sundays, or be so expensive. They do think that there needs to be more parking lots and more enforcement of disabled placard abuse. There is a perception that the lack of parking, especially for loading and unloading (i.e. along Waverly), deters business. Some merchants went so far as to say that people choose not to come into Chinatown because there is no parking, and people would rather travel to suburban areas to get goods and services in neighborhoods or cities that have more ample parking. After I mentioned the Park and Ride program, they still think that parking is a big issue especially when it comes to weekday visits, since Park and Ride only applies to weekend shoppers.

Safety and Cleanliness

There seems to be an increase in graffiti, vandalism, and shoplifting in recent months that many merchants have experienced. Several merchants are getting fined for having graffiti on their

buildings, even though they state they paint over the tagging. The LISC model of painting over graffiti within three days does not seem to work for Chinatown merchants. All of them informed me that more police presence, either beat or car patrol, can deter night time illegal activities. Also, there is consensus among the merchants that cleaner sidewalks and more visually pleasing streetscape improvements can deter crime and increase business. Some improvements are lighting up Grant Avenue with Christmas lights on trees and merchants display windows, and another idea was to ask merchants to leave their lights on in their stores at night to deter graffiti.

Who do you go to when you need help with your business?

Eleven businesses responded that they do not have resources to turn to when in need of business technical assistance and two declined to answer. Of the six who responded that do use resources, many of them end up being colleagues, friends, hired help (i.e. to paint over graffiti), Chamber of Commerce, City Hall, Supervisor David Chiu, and the Small Business Commission.

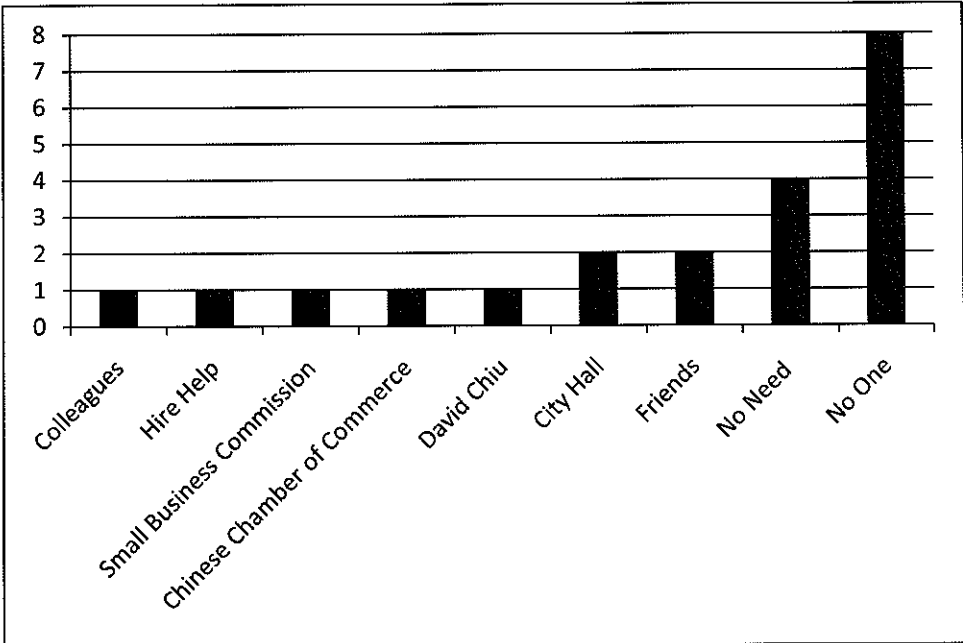


Figure 12: Places Business Owners Go for Help

What types of businesses do you think Chinatown lacks?

Currently, the goods and services in Chinatown could use improvement in the areas of quality, customer service, and cleanliness. Some merchants felt that there is no political cohesion among stakeholders to lobby for Chinatown businesses. Also, they are at the mercy of their property owners who belong to the Fortune Six Companies, have the power to reduce rent or extend lease agreements. In terms of business types, some merchants felt that Chinatown needs more sit-down places such as cafés, coffee shops, and some even mentioned specialty shops, upscale wine bars, lounges, and restaurants specializing in unique cuisines. Some longed for the cinema, opera house, theater, and performance centers to make a comeback in Chinatown like it was in the

sixties and seventies. This led to the discussion of nightlife, which most merchants agreed, in appropriate context, is lacking in Chinatown.

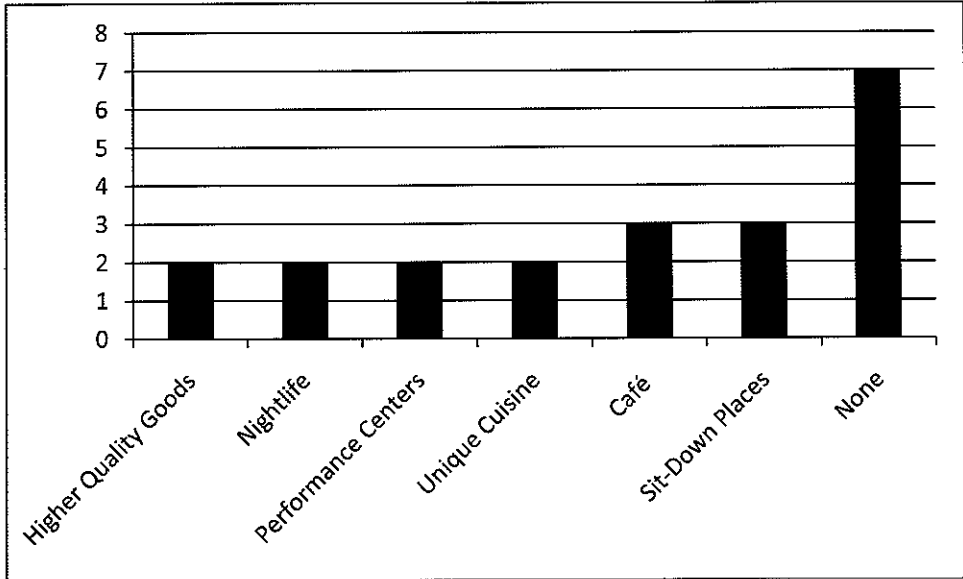


Figure 13: Businesses Lacking in Chinatown

What would encourage you to stay open later?

Fourteen businesses stated they would open later is there was more police presence, more foot traffic after 6pm in Chinatown, if there were more tourists, and perhaps even volunteers to assist with minding the stores after hours. The rest of the businesses would not open later because they either did not have enough staff or did not see a reason to open later.

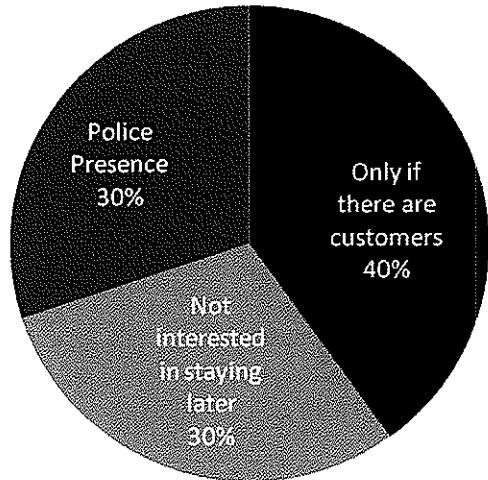


Figure 14: What owners need to stay open later

What challenges are you currently facing in your business?

Overall, Chinatown anchor businesses are experiencing the economic downturn just like the rest of the neighborhood businesses. Challenges include increase in crime, decrease in patrons, competition with other small businesses and in some cases, with franchises (i.e. Ginn Wall), lack of parking for customers, cleanliness, shifts in product demand (i.e. DVDs, CDs), being on top of new ideas for marketing, and getting low-interest loans to finance their business.

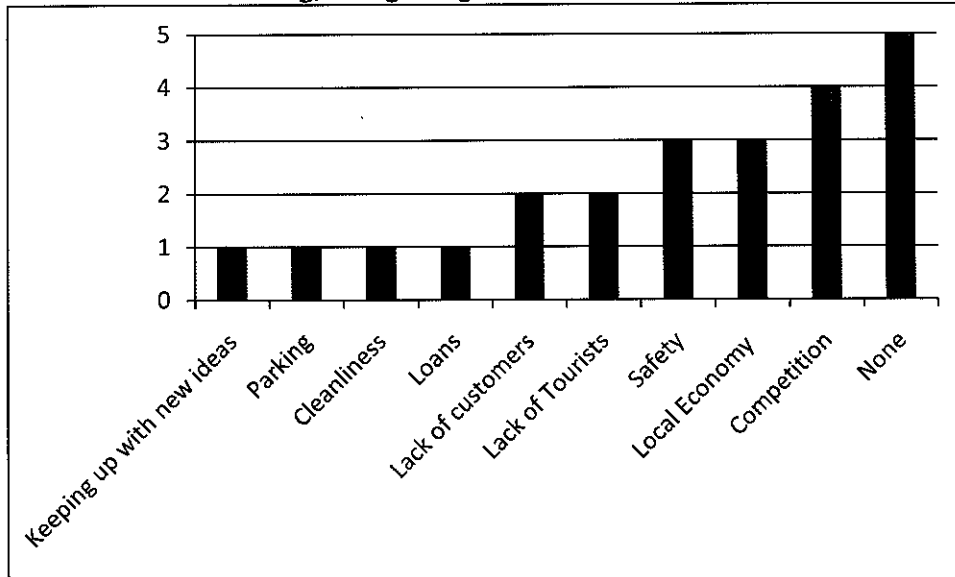


Figure 15: Challenges Businesses Face Currently

What could you do to improve Chinatown's economy?

Aside from pointing out the challenges of running a small business in Chinatown, CCDC was interested in gauging the interest in the merchants' willingness to help Chinatown. Most supported Noodle Fest as a promotional neighborhood event, and one was willing to represent the Chinatown merchants at various City agencies to advocate for change and more investment into the neighborhood. Also, some merchants were interested in bringing visitors by advocating for nightlife.

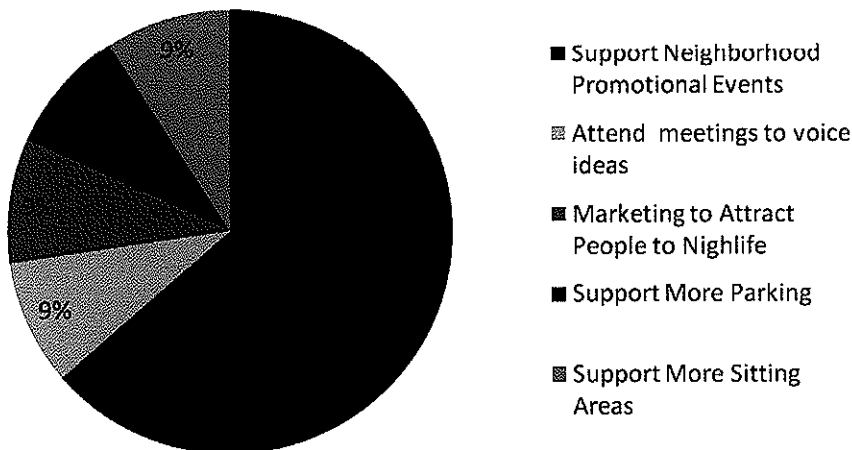


Figure 2: How business owners can help Chinatown's economy

Short and Long Term Goals from Weighted Anchor Business Interview Results

There are many action items that came out of this report. Below are some of the short and long term goals we can target for Chinatown local businesses, as well as ongoing projects and programs. The priorities come out of counting the number of responses from the anchor business interviews, and some priorities are currently underway.

Help with Marketing Businesses

Short Term Priorities

- Assist on needs basis for business interested in simple marketing strategies
 - Current project: refer web designer to Z&Y Restaurant to help build effective website to attract online presence
- Help formulate innovative, effective, low cost marketing ideas for businesses
- Continue neighborhood promotional events especially during nighttime to promote economic development
 - Past projects: Halloween at Portsmouth Square (October 2008), Arts in the Alley (April 2009), Festival on the Square (October 2009), Noodle Fest (May 2010)
- Look into bilingual design services to help design business websites
- Collaborate with Chinese Culture Center on marketing Chinatown cultural events and programs; also highlight businesses
- For local population: help create “model facades”
 - Current project: façade improvement project for Kum Luen & Best Food Produce
- For tourism: research tour guide books and airlines to advocate for businesses to be in their ads (Visitors Bureau, etc) to bring in more tourists

Long Term Priorities

- Advocate for tourist information center and map of Chinatown attractions, businesses, cultural events
- Look into possibility of connecting tourists (i.e. from conventions) to come into Chinatown
- Put together bilingual materials to educated merchants effective customer service, maintaining clean facilities, and having quality products in order to be competitive with other businesses without driving down prices and quality
- Be aware of entertainment sites that plan on opening; advocate for community rates and programming (i.e. opera houses, theaters, cinemas, etc.)
 - Example: follow up on Great Start Theater
- Advocate for more sit-down businesses that serve community and visitors

Connect Businesses to Bilingual Technical Assistance Programs

Short Term Priorities

- Build relationships with Office of Small Business <http://sfgsa.org/index.aspx?page=3805>
- Build relationship with Small Business Commission
 - Talk to Kathleen Dooley and Janet Clyde
- Build relationships with Northeast Community Federal Credit Union
<http://www.necfcu.org/about.htm>
- Work with Chinese Chamber of Commerce (Rose Pak) and Chinatown Merchants Association (Eva Lee)
- Find out how to direct businesses to resources (i.e. getting low interest loans, improving façades, business planning, lease negotiation, business attraction, filling vacancies, how to be competitive among franchises and other businesses)
- Maintain Total Info database
- Apply for grants to help with small scale neighborhood improvements

Long Term Priorities

- Advocate for job training programs to target limited English proficiency workers

Advocate for Multimodal Transportation Opportunities for Shoppers

Short Term Priorities

- Follow progress on MUNI budget for any rate changes for public transportation, as well as changes to parking meter or garage structures, hikes in public parking garages
- Conduct a parking study to assess available parking to determine actual need for parking
- Continue to advocate for Central Subway
- Continue work on bus stop assessments and pedestrian safety measures to promote public transit ridership

Long Term Priorities

- Keep track of quarterly reports from Park and Ride program and conduct customer satisfaction surveys on a needs basis

Coalition Building to Foster Stronger Political Cohesion among Family Associations and

Short Term Priorities

- Find other CBOs to join a coalition to advocate for more community investment from City Hall (i.e. CAA, CPA, CCC, etc.)

Long Term Priorities

- Organize merchants to advocate for more investment from City Hall, as well as create projects to market their businesses

- Build relationships with family associations and Fortune Six Companies to address housing stock, business lease negotiations, etc.

Increase Safety with Cleaner Sidewalks and Police Presence

Short Term Priorities

- Continue to work with Chinese Culture Center on public art master plan for effective wayfinding and streetscaping
- Organize campaign for merchants to clean their sidewalks by involving Main Train
- Advocate for more beat cops and police patrol day and night during monthly Central Station community meetings
- Work with DPW to get more steam cleaning (do research on this), recycle/trash bins, public restrooms
- Campaign around spitting, littering, smoking, gambling for community

Long Term Priorities

- Involve Chinatown businesses and property owners for vision of safer, cleaner, more beautiful streetscaping and accessible streets
- Continue working with the Youth Team with neighborhood clean ups and using scorecards to monitor alleyways

Next Steps

We will take the results from this report and compare it to our internal Economic Strategy to see what has been done and what still needs to be done. Then we will look at the EDA proposal to incorporate into our updated economic strategy. Lastly, we will examine goals from all three documents to form our planning and programming priorities.

Works Cited

2003 ERA Report on Economic Development

2008 EDAW Report on Economic Development

2008 AND Report on Central Subway

2009 Role of Chinatown Community Development Center in Economic Development Strategy
for Chinatown

2009 Commercial corridor data

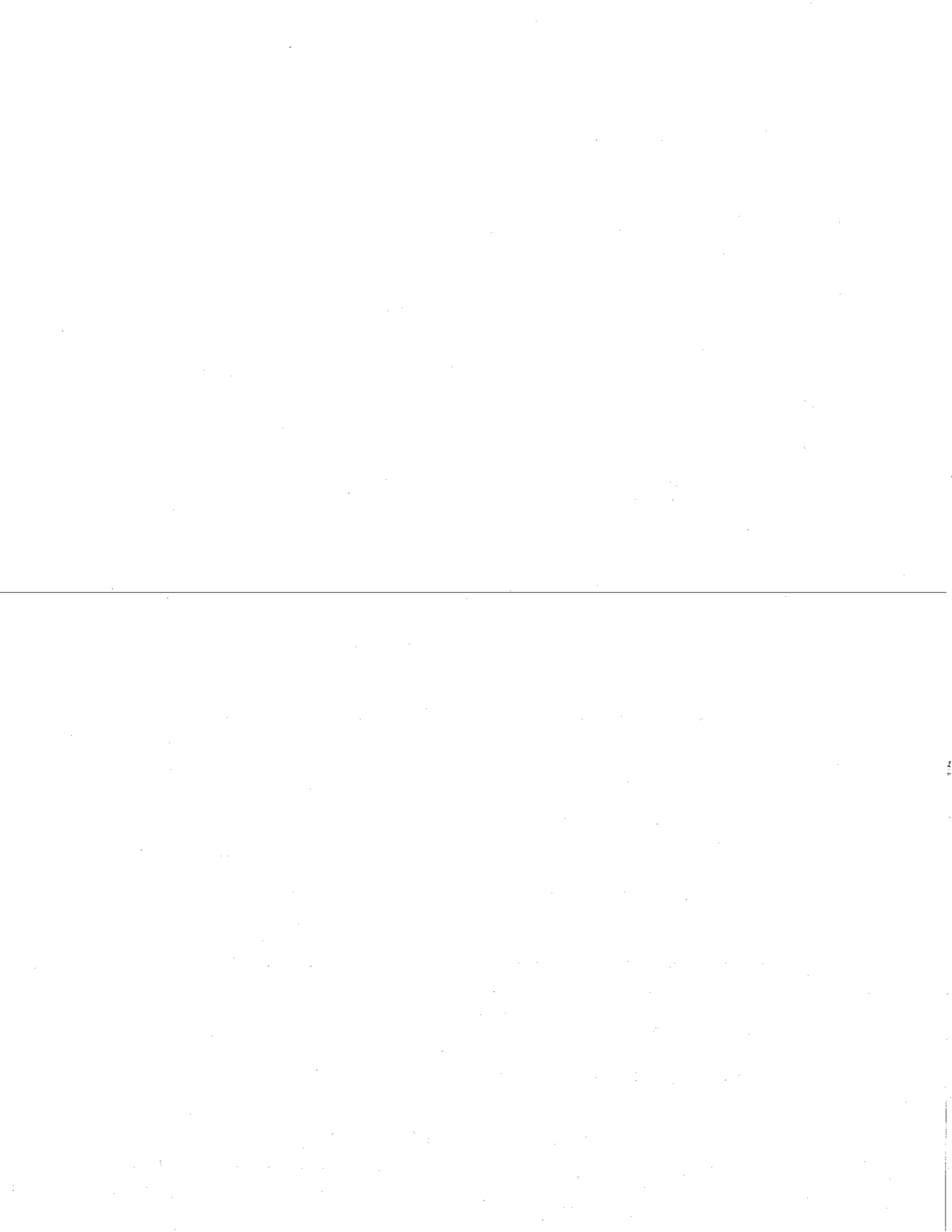
2009 Economic strategy discussion with Desiree and Malcolm

2010 Chinatown 2020: Picturing the Future

Appendix A- Interview Questions

- Name of Business Owner _____
- Name of Business _____
- Type of business (i.e. restaurant, grocery store, etc.) _____
- Address _____
- Phone Number _____ Fax Number _____
- Email _____
- Number of other businesses owned in the neighborhood _____ In the city _____
- How many years has this business been in operation? _____
- Language(s) spoken (circle all that apply) **English** **Cantonese** **Mandarin** **Other** _____
- Which neighborhood/zip code do you commute from? _____
- How do you get to Chinatown? (circle all that apply) **Car** **Bus** **Walk** **Other** _____
- If you drive to work, where do you park? _____
- Who is your clientele (i.e. local Chinatown residents, local San Franciscans, Bay Area residents, tourists)? _____
- What does success mean to you (i.e. higher profits, just surviving, getting more customers, etc.)? _____
- When are your busiest times for business? Why? _____
- What are the best things you have done with your business (i.e. raise/lower prices, clean up storefront, change window display, marketing, etc.)? _____
- How do you view or deal with competition (i.e. when someone next door opens up a similar business, etc.)? _____
- Have you or would you consider collaborating with complementary businesses next door?

- How could you improve your business? _____
- What would help your business? (i.e. community or local government support)

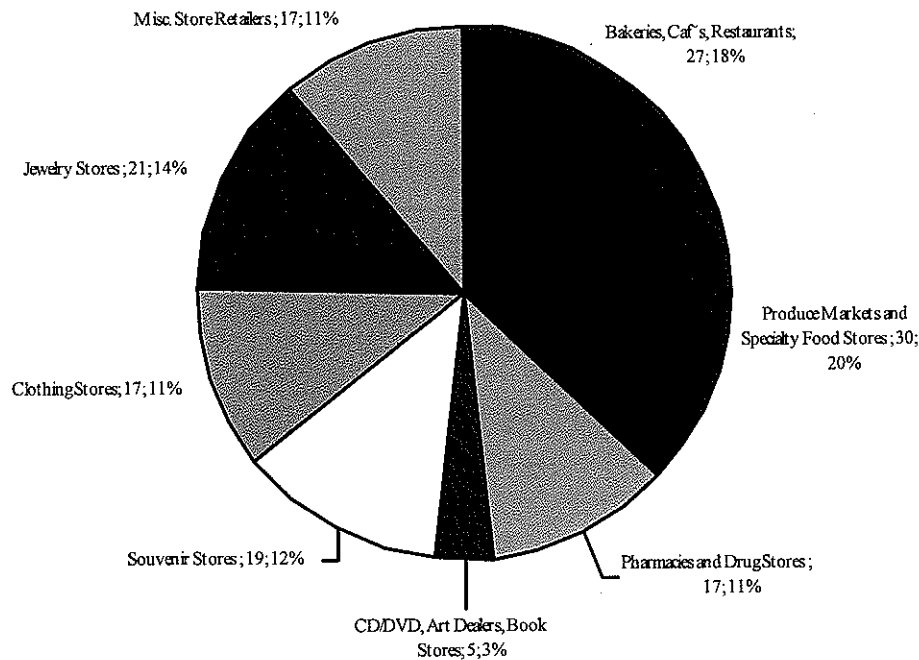


- Business planning
 - Marketing and branding
 - Lease negotiation
 - Small business loans
 - Neighborhood promotional events (i.e. Arts in the Alley)
 - Business attraction and filling vacancies
 - Public space and streetscape improvements
- Who do you go to when you need help with your business (Small Business Development Center, Northeast Credit Union, etc.)? _____
 - What types of businesses do you think Chinatown lacks? _____
 - What would encourage you to stay open later? _____
 - What challenges are you currently facing in your business? _____
 - What do you think you can do to help Chinatown's economy improve? _____

“Thank you for your time. I look forward to talking more with you later on. Please do not hesitate to contact me for any questions I can answer for you.”

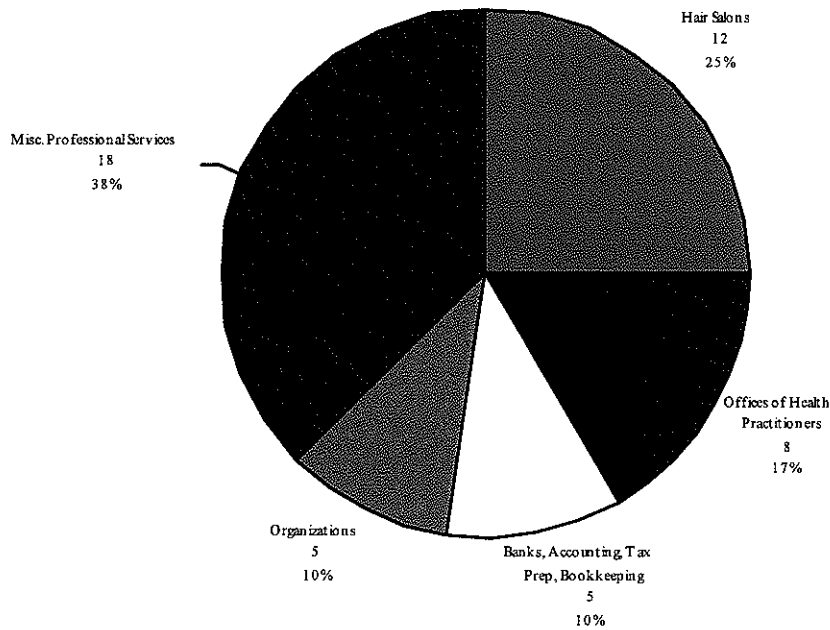
Appendix B- Data Findings of All Commercial Corridor Businesses

Retail in Chinatown Commercial Corridors (Stockton, Grant, Wentworth, Walter U. Lum, Waverly)



Retail	No. of Stores	Percentage
CD/DVD, Art Dealers, Book Stores	5	3%
Pharmacies and Drug Stores	17	11%
Clothing Stores	17	11%
Misc. Store Retailers	17	11%
Souvenir Stores	19	12%
Jewelry Stores	21	14%
Bakeries, Cafés, Restaurants	27	18%
Produce Markets and Specialty Food Stores	30	20%

Services in Chinatown Commercial Corridors (Stockton, Grant, Wentworth, Walter U. Lum, Waverly)



Services	No. of Stores	Percentage
Banks, Accounting, Tax Prep, Bookkeeping	5	10%
Organizations	5	10%
Offices of Health Practitioners	8	17%
Hair Salons	12	25%
Misc. Professional Services	18	38%

THE CHINATOWN BUSINESS SURVEY

Between Sacramento and Vallejo Streets, within a six-block area lies the Stockton Street Commercial Corridor, which has been the busiest and most vibrant section of San Francisco Chinatown. Within these six blocks there are more than 150 stores, ranging from travel agencies, hair salons to fashion houses, and grocery produce stores. We took a sample of 20% of these stores and conducted a business survey focusing in four main areas: sanitation, deliveries and parking, safety and security, and finances. The survey was conducted by individual oral interviews with the storeowners or sales clerks. Below are our findings.

SANITATION

Chinatown being a dense and old community, sanitation is an important component. Garbage is generated on a daily basis. Merchants need a clean and presentable environment to conduct their businesses. Golden Gate Disposal Company is the scavenger that services Chinatown. In the survey, we found:

Garbage Service

- 52% have subscribed to daily garbage service
- 48% have weekly service

Missed Garbage Pickups

- 45% have experienced missed garbage pickups during the last six months
- 52% of merchants know where to call for service, while
- 48% do not know the contact number to the scavenger service

Cardboard Box Pickups

- 68% generate cardboard boxes for recycling pickup, of which 57% are being picked up by "mosquito fleet" (an operation of people randomly pick up the boxes and redeem money from recycling center); 19% only rely on Golden Gate Disposal's recycling service, and 24% are unsure who picks up the boxes from the sidewalk.

Most of the merchant complaints are missed or late garbage pickups.

We concluded the sanitation section with a list of sanitation concerns, and asked for their opinion on what needs the most improvement. Street cleaning tops the chart with 29%, followed by insufficient public trash receptacles at 19%, garbage pickup at 17%, steam cleaning at 15%, cardboard box pickup at 8%, plus comments on more education on public health and clean public restrooms.

As a merchant, 30% said they could contribute to the sanitation of the community by maintaining a clean storefront.

DELIVERY & PARKING

Due to the number of businesses, plus the presence of large grocery and general merchandise stores, delivery is a permanent routine along Stockton Street. Delivery trucks often line the street. The survey sought to understand the dynamics of the deliveries and balance the needs of the delivery trucks and general parking. From the survey, we found the following responses.

Number of Deliveries

- 29 % have deliveries occasionally
- 23% have daily deliveries
- 19% have weekly delivery
- 6% have deliveries every other day

Time of Deliveries

- 46% have deliveries between 10 am and 2 pm
- 17% have deliveries before 10 am
- 8% have deliveries after 2 pm, while
- 29% have deliveries throughout the day

Number of Vendors Making Deliveries

- 41% have less than 5 vendors making delivery
- 13 % have between 6-10 vendors, while
- 23% have more than 10 vendors

SAFETY & SECURITY

Problems Encountered Within One Year

- 50% experienced some form of shoplifting
- 22% had some vandalism
- 19% had been burglarized
- 3% experienced a fire
- 3% had teenagers fighting outside their establishment

Suggestions to Enhance Safety

- 43% want to have more police presence
- 22% want the City to better respond on various issues
- 16% want to establish safety patrol in Chinatown
- 16% want more education on how to protect them against theft

As the result above shows, merchants want more police patrol, especially at nighttime, and more prompt response from police when called upon.

FINANCES

In the financial section, we asked the respondents to rank the areas based on the difficulty in supporting their business. Based on their ranking, the number one concern is rent with 30%. The following are the ranking areas.

Financial Difficulties

30% rent

23% competition

13% taxes

11% expenses

9% cost of goods

6% salaries

8% others which include cost of living, current market situation, lease terms.

From the above responses, rent and competition pose the biggest difficulty to merchants to sustain their business.

To conclude the survey we asked the merchants what would they do to help their business if there are funding opportunities. Most of them want to remodel their stores and expand their business, others want to get more publicity through advertising, install security and alarm systems, and one even would use it to pay the high cost of scavenger service, which he/she complains about, a monthly fee of \$2,300.

Additional Comments

When asked, most responses surround the areas of:

Security - more police patrol especially at night, better street lighting to deter thieves and burglars;

Sanitation - to eliminate sidewalk display, and better street cleaning;

Parking - more parking, lower parking rate and offer free parking.

Thus conclude the business survey.

We

China's business survey 2005

華埠商戶調查問卷 CHINATOWN BUSINESS SURVEY

Conducted by the Chinatown Community Development Center

問卷訪問者 Surveyor

日期 Date

這個商戶調查的目的是希望從了解華埠商戶的需要，來計劃能否與市府及其他機構共同商議解決問題的辦法。本中心保證所提供資料絕對保密。調查結果完成後，當會寄上一份報告，多謝各商戶合作。

The Chinatown Community Development Center is conducting this merchant survey to identify specific needs for businesses in the Chinatown in the community. This survey should take no more than 10 minutes to complete. Your responses will help us develop plans with community groups and city agencies to address these issues. Responses will be kept confidential. A copy of the survey results will be given to you when the report is complete. Thank you for your help.

商戶名稱 Business Name	
地址 Address	
聯絡人 Contact Person	
職位 Title	
電話 Telephone	

商戶類型 Type of Business

零售商 Retail

食店 Food

辦公室 Office

其他 Other

公司成立年份 Year Established		運作時間 Oper. Hours	
----------------------------	--	---------------------	--

面積 (平方尺) Sq Footage		租金 (隨意作答) Rent (Optional)	
------------------------	--	------------------------------	--

1. 貴戶每星期有多少次垃圾服務? How often do you subscribe to garbage service?

沒有 None
 每天 Daily
 每星期次數: 一 Mon 二 Tue 三 Wed 四 Thu 五 Fri 六 Sat 日 Sun
 Weekly-
 (請圈上適合的日期) (Circle all that apply)

2. 在過去六個月內，垃圾公司曾 試過誤期收取垃圾嗎? Have you experienced missed garbage pick up in the past six months?

有，發生過多少次? Yes-how often? 沒有 No

3. 你有沒有紙皮需要回收再用? Do you have cardboard boxes to pickup for recycling?

有 Yes
 _____ 金門垃圾公司 Golden Gate Disposal
 沒有 No
 _____ 無牌免費回收公司 Mosquito Fleet
 _____ 其他 Other

4. 貴戶需要時，你知道垃圾公司客戶服務電話號碼嗎? Do you know who to call for garbage-related service?

知道 Yes 不知道 No

5. 貴戶對金門垃圾公司的服務滿意嗎? Are you satisfied with Golden Gate Disposal service?

滿意 Yes 不滿意，原因 No-why? _____

6. 以下一列有關衛生的問題，你認為那項需要改善? From the following list of sanitation concerns, what, in your opinion would need improvement the most?

垃圾服務 Garbage Pick-up
 街道清潔 Street Cleanup
 蒸氣清潔 Steam Cleaning
 公共廢物箱 Trash Receptacles
 紙皮回收 Cardboard Box Pick-up
 其他 Other _____

7. 作為華埠商戶一份子，你可以在某一方面協助改善華埠公共地方的衛生呢 (例如：使用蒸氣清潔、贊助清潔服務等)? As a merchant in Chinatown, what is one thing you can do to contribute to improve the sanitation of public space in the community (steam clean, donate to cleanups, etc)?

衛生 - Sanitation

1. 貴戶生意送貨的次數有多頻密呢? *How often do you receive deliveries to your business?*

每天 *Daily*
 隔天 *Every Other Day*
 每星期次數 *Times per week*
 間中 *Occasionally*

2. 每次送貨的時間是(請填上所有符合的時間)? *How many deliveries do you receive during each period?*

a) 上午十點前 *Before 10am*
 b) 上午十點到下午兩點 *Between 10am and 2pm*
 c) 下午兩點後 *After 2pm*

3. 有多少個貨原公司給你送貨呢? *How many different vendors do you receive deliveries from?*

1. 過去一年內貴戶是否遇到以下對生意有影響的保安問題?
Have you encountered any of the following in the past year that affected the security of your business?

故意破壞 *Vandalism*
 爆竊 *Burglary*
 火警 *Fire*
 強行收費 *Extortion Attempt*

高買 *Theft-Shoplifting*
 其他 *Other* _____

2. 貴戶認為市政府該作甚麼行動來保護你的生意或顧客的安全呢?
What suggestions do you have to enhance the safety of your business and customers?

多提供防盜教育講座 *More Education to Protect Yourself Against Theft*
 增加警察巡查 *Better Police Presence*
 市府對有關問題及時回應 *Better response by city on issues* 主要問題 *What kind of issues?* _____
 在華埠加設保安服務 *Establish a Safety Patrol in Chinatown*
 其他 *Other* _____

1. 貴戶認為要維持你的生意最大三個困難是?
What are the top 3 areas that you find most difficult in supporting your business?

租金 *Rent* _____
 稅款 *Taxes* _____
 貨品成本 *Cost of Goods* _____
 支出 *Expenses* _____
 競爭 *Competition* _____
 僱員工資 *Salaries* _____
 其他 *Other* _____

2. 若有其他撥款提供, 貴戶會如何使用它來幫助你的生意?
If there were other funding sources available, how would you utilize the funds to help your business?

其他意見 *Additional Comments*

多謝貴戶參加這個調查問卷。未經你的同意我們不會向外發放有關你的任何資料給第三者。如有問題, 請與我們聯絡: 華協中心, 都板街1525號, 電話: 415-984-1450

Thank you for participating in our survey. We will not disclose individual information to any 3rd party member without permission. For any questions, please contact our offices at:

Chinatown Community Development Center, 1525 Grant Ave, San Francisco, CA 94133, 415-984-1450

