



Central Market Partnership

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January 2010: Central Market Partnership

Restore Central Market as the City's downtown arts district while inviting in new retail, restaurants, services and employers to take advantage of the transit and downtown location and serve the adjacent Tenderloin and SOMA neighborhoods.



Neighborhood Challenges

*“We call it the plywood parade – the relentless march up **Market Street** from **5th to 8th** of boarded up or erratically open storefronts, emptying offices in the upper stories and crumbling facades.*

The three Mid-Market blocks look like hell.”



Central City Extra, February 2010



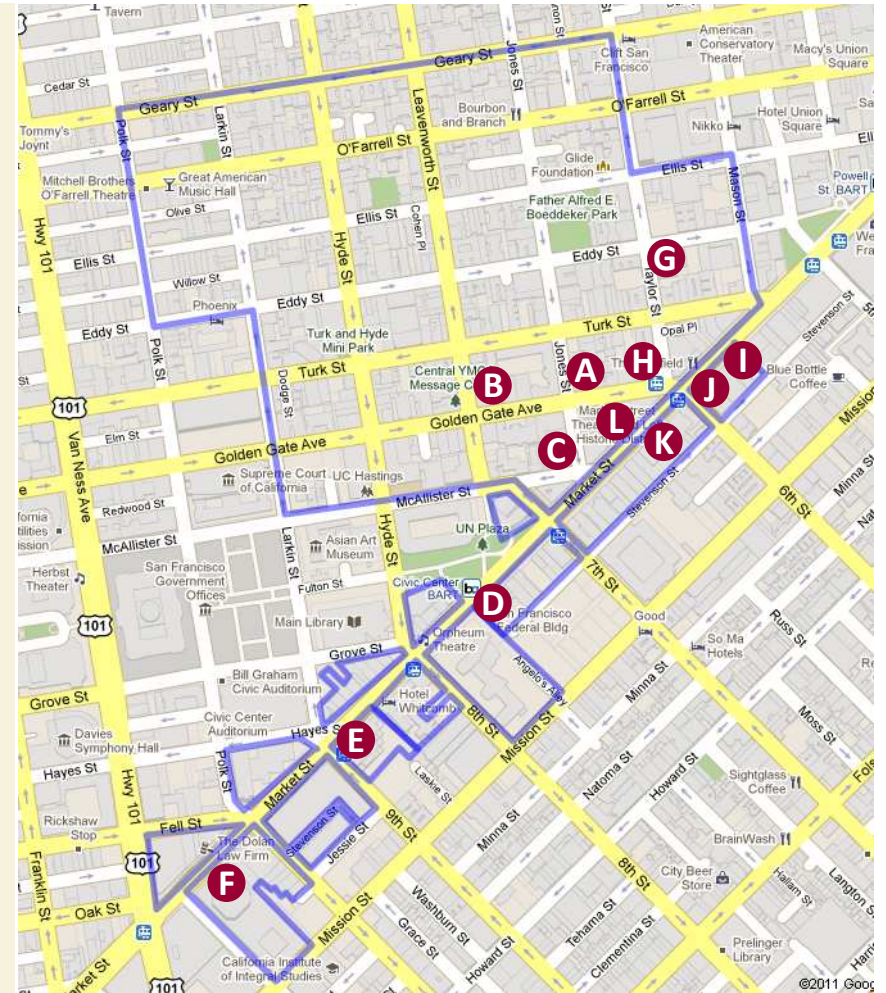
Neighborhood Challenges

- Empty & underutilized large buildings
- Poor building condition; little “leasable” space
- Lack of retail/services/jobs for neighborhood
- Relatively high retail rents for what you get
- Need more than arts groups to revitalize area
- Open spaces and sidewalks populated by “bad behaviors” rather than positive activity/foot traffic



Sample Vacant Buildings

- A** 86-98 Golden Gate
15,000 SF retail
- B** 172 Golden Gate
57,000 SF retail/office
- C** 1 Jones
Hibernia Bank
38,000 SF
- D** 1155 Market
SFPUC
160,000 SF office
- E** 1275 Market
State Fund Bldg
385,000 SF office
- F** 1355 Market
SFMart
1 million SF office
- G** 144 Taylor
Original Joe's
35,000 SF retail
- H** 25 Taylor
Golden Gate Theater
44,000 SF office
- I** 969 Market
Pearl Art Supply
24,000 SF retail/office
- J** 989 Market
Blick Art Supply
Approx 70,000 SF office
- K** 1019 Market Street
Furniture & Carpet Bldg
70,000 SF on 6 floors
- L** 1028 Market
Hollywood Billiards
30,000 SF of retail



Vacancy Data

COMPARATIVE COMMERCIAL DISTRICT VACANCY RATES

Central Market 31%

- Informal count yields approx 390,000 SF of vacant storefront and upper-floor office space

Compare with

- Third Street/Bayview 24.5%
- Leland Ave./Vis Valley 10.2%
- Mission Street/Excelsior 9.8%
- Taraval 9.1%


OFFICE VACANCY

- In 4 large buildings on Central Market, there is approximately **1.5 million sq/ft** of vacant or soon to be vacant office space.
- Office vacancy rate is 51%, compared to citywide rate of 15%
- Leasing up just **25%** of this space would result in an estimated **1,500** new jobs in the Central Market.



A Burgeoning Arts District



- | | | | |
|--|--|--|--|
| <p>1</p>  <p>EXIT Theatre</p> | <p>2</p>  <p>Kunst Stoff Dance Company</p> | <p>3</p>  <p>Warfield Theatre</p> | <p>4</p>  <p>Blick Art Materials</p> |
| <p>5</p>  <p>Gray Area Foundation for the Arts</p> | <p>6</p>  <p>Golden Gate Theater</p> | <p>7</p>  <p>Luggage Store Gallery</p> | <p>8</p>  <p>Lines Ballet</p> |
| <p>9</p>  <p>SF Arts Market</p> | <p>10</p>  <p>Orpheum Theater</p> | <p>11</p>  <p>Asian Art Museum</p> | <p>12</p>  <p>Bill Graham Civic Auditorium</p> |



Pipeline Development Projects

And Coming Soon: Twitter, Black Rock/Burning Man, Pearl's Deluxe Burgers, CVS



<p>1</p>  <p>CityPlace Shopping Center</p> <ul style="list-style-type: none"> • 250K SF of value retail • Will create over 800 jobs • Breaks ground Q3 2011 	<p>2</p>  <p>Mixed-Use Theater Project</p> <ul style="list-style-type: none"> • Currently in pre-development • American Conservatory Theater as potential anchor 	<p>3</p>  <p>1095 Market Street</p> <ul style="list-style-type: none"> • Upscale youth hostel with restaurant and club on ground floor, outdoor bar on roof • Entitled in October 2010 	<p>4</p>  <p>SOMA Grand</p> <ul style="list-style-type: none"> • Completed January 2008 • 246 housing units, Heaven's Dog Restaurant & Lounge
<p>5</p>  <p>Trinity Plaza</p> <ul style="list-style-type: none"> • Up to 1,900 housing units of varying types • 60K SF of retail • First phase complete, upcoming phase involves new construction along Market Street frontage 	<p>6</p>  <p>50 UN Plaza</p> <ul style="list-style-type: none"> • Renovation and seismic upgrade project broke ground in December 2010 • Will catalyze new cultural and economic activity on UN Plaza 	<p>7</p>  <p>Argenta</p> <ul style="list-style-type: none"> • Completed August 2008 • 179 housing units, 4K SF of retail 	<p>8</p>  <p>Crescent Heights</p> <ul style="list-style-type: none"> • 753 housing units targeting 25-35yo professionals • 19K SF of retail (e.g., Whole Foods, 24 Hour Fitness) • Breaks ground Q3 2011

Neighborhood Improvement Strategies

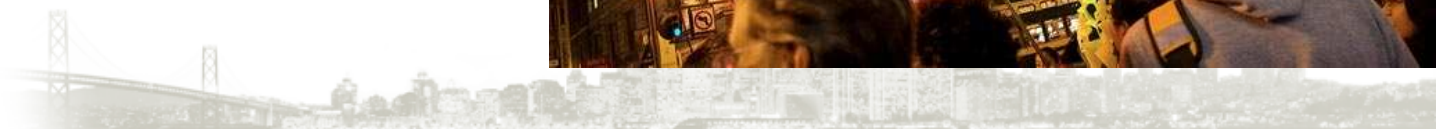
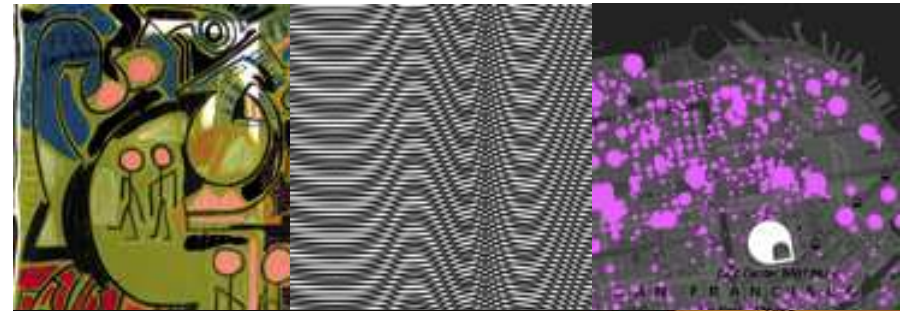
- Community Benefit Districts: Safety, Cleanliness, Beautification
- Arts programming & catalyst venue development
- Attraction of small businesses, large employers, & housing
- Better Market Street: Redesign of streetscape
- Safety initiatives



The Arts Commission's ARTery Project

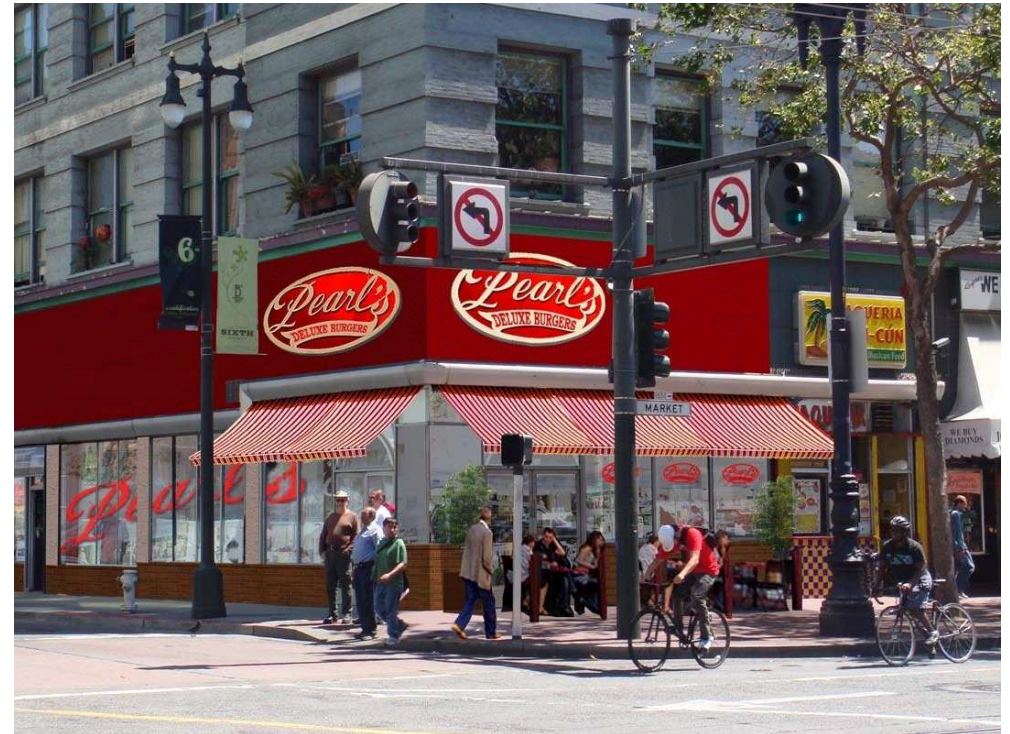
Activating the street
through art:

- UN Plaza Art Market and Off the Grid Food Trucks
- “Lights on Market Street”
- Art in Storefronts
- Burning Man Sculptures



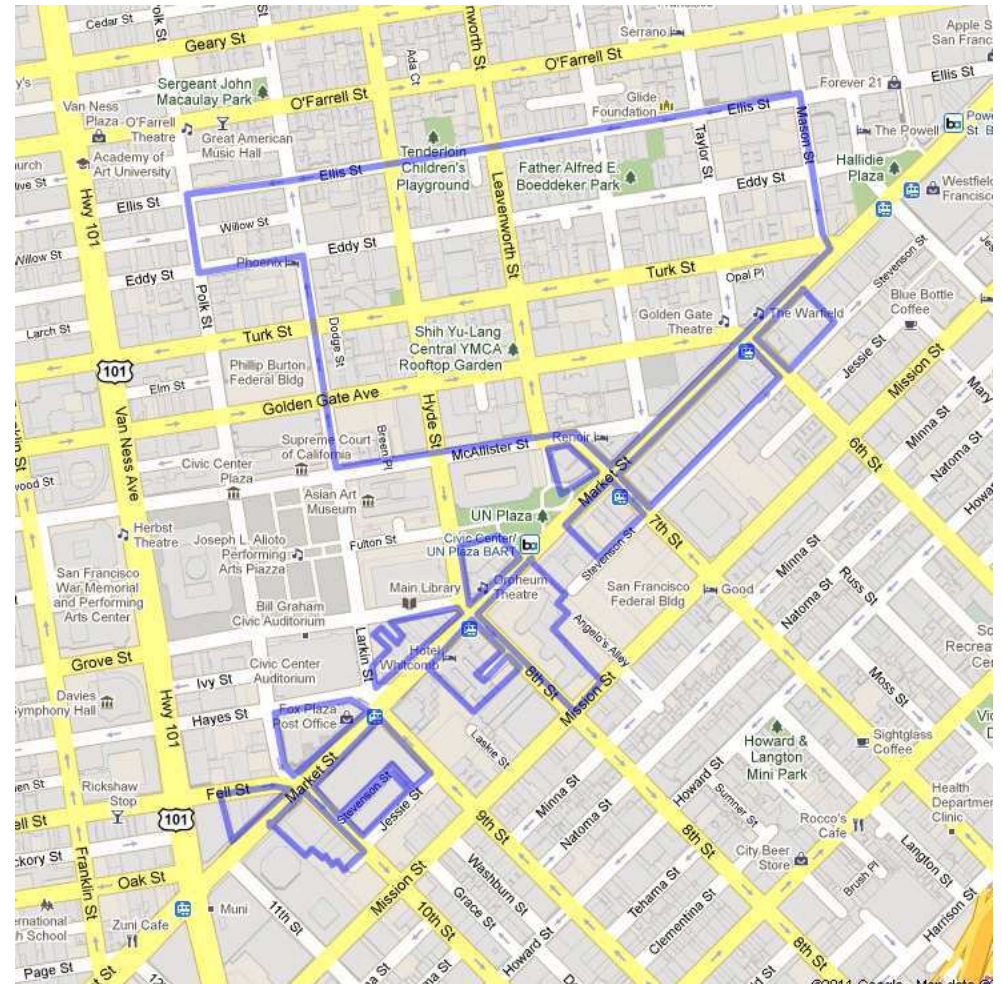
Tools/Incentives for Revitalization

- Cultural District Loan Fund
- Possible Tax Increment Financing
- Other existing tax incentives
- Grant funding
- Technical assistance to business and arts groups
- Zoning to incentivize certain issues
- Payroll Tax Exclusion



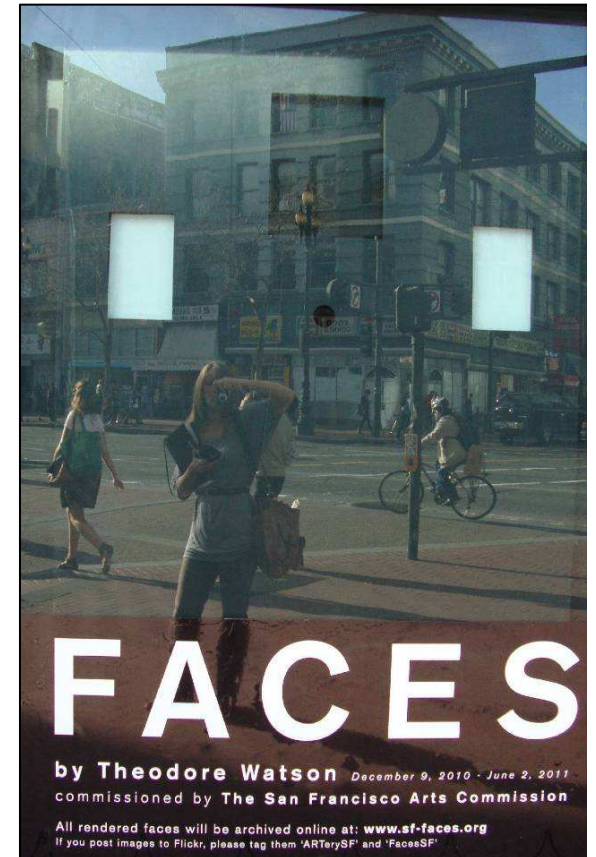
Payroll Tax Exclusion

- Currently paid by businesses with more than \$250,000 in payroll (1.5%)
- New jobs to the street would be exempted for 6 of next 8 years
- Effective April 20, 2011
- Exclusion limited to amount above “base year”
- First Source hiring and community benefits requirements



Why Twitter Matters to Central Market

- Sends a signal of neighborhood transformation
- Leads to increased retail, services, and entertainment
- Other social media companies will co-locate
- Twitter will help designate unique niche for the area
- Company will engage meaningfully with the City and the neighborhood



Twitter's Economic Impact

- Jobs – Estimate up to 2,600 in 6 years
- Year 7 Payroll tax revenue - \$4 million
- Tax revenue - \$9.7 million in 6 years
- Spin-off jobs – up to 3,700 in 6 years
- Spin-off tax revenue - \$1.6 million in just one year



Central Market Economic Strategy

- A thorough community planning process to prioritize the activities, programs, and policies that will transform Central Market
- Create a **framework** for Public Sector activities, private & philanthropic investment, and non-profit organizations
- Includes: Background Research, Mapping, Case Studies, Community Engagement, Public Meetings and Workshops
- Broad partnership of staff and volunteers, including non-profit organizations, business leaders, public agencies, and an expert consultant team
- Rollout of Economic Strategy in Summer 2011

